

FINANCE AND RESOURCES COMMITTEE

ABERDEEN, 13 September 2023. Minute of Meeting of the FINANCE AND RESOURCES COMMITTEE. Present:- Councillor McLellan, Convener; Councillor Yuill, Vice-Convener; and Councillors Allard, Cooke, Fairfull, Farquhar, Greig, Houghton, Hutchison, Malik, Radley, Thomson and Watson.

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

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

DETERMINATION OF EXEMPT BUSINESS

1. The Convener proposed that the Committee consider item 14.1 (Belmont Cinema Preferred Operator), item 14.2 (Ness Landfill – Lease Proposals), item 15.1 (District Heating – Network Expansion/Waste Heat Utilisation (City Centre Link) - Exempt Appendix), item 15.2 (Condition and Suitability 3 Year Programme - Exempt Appendices) and item 15.3 (Work Plan and Business Cases - Exempt Appendices) with the press and public excluded from the meeting.

The Committee resolved:-

in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting during consideration of the above items so as to avoid disclosure of information of the classes described in the following paragraphs of Schedule 7(A) to the Act:- article 11 (paragraphs 6 and 9), articles 12 and 13 (paragraph 6) and articles 14 and 15 (paragraph 8).

DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS

2. There were no declarations of interest or transparency statements intimated.

MINUTE OF PREVIOUS MEETING OF 8 AUGUST 2023

3. The Committee had before it the minute of its previous meeting of 8 August 2023.

The Committee resolved:-

to approve the minute.

TRANSPARENCY STATEMENT

During discussion of the following item of business, a question relating to Aberdeen Performing Arts was raised. At this juncture, Councillors Greig and Radley advised that they had a connection in relation to this by virtue of them being Council appointed members on the Aberdeen Performing Arts

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Board. Having applied the objective test, they did not consider that they had an interest and would not be withdrawing from the meeting.

COMMITTEE BUSINESS PLANNER

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

The Committee resolved:-

- (i) to note the reasons for deferral in relation to item 4 (Fleet Replacement Programme), item 6 (Outline Business Case: Northfield Primary Schools Excess Capacity), item 7 (Outline Business Case: Oldmachar Primary Schools Excess Capacity), item 9 (Sustainable Drainage System (SUDS) Section 7), item 11 (Complex Care – Full Business Case), item 12 (Commercial Property Auction - Former St Peters Nursery/The Hollies, 43 King's Gate), item 13 (Financial Settlement from Transport Scotland for the De-trunking of the A92/A96 (Haudagain Improvement), item 14 (School Estate Plan: Hazlehead/Countesswells Secondary School Provision – Outline Business Case), item 15 (Proposals for Investment for Works at Riverbank School to Accommodate the Relocation of St. Peter's School), item 21 (Bucksburn Swimming Pool – Update September 2023) and item 25 (School Estate Plan: Harlaw Academy Condition & Suitability Improvements – Outline Business Case);
- (ii) to remove item 10 (UK Shared Prosperity Fund - Lemon Tree) from the planner, noting that a report would be submitted to the Committee if Aberdeen Performing Arts were to seek to re-establish the Lemon Tree Redevelopment project;
- (iii) that in relation to item 14 (School Estate Plan: Hazlehead/Countesswells Secondary School Provision – Outline Business Case), to instruct the Chief Officer - Corporate Landlord to circulate details to members of the Committee regarding any communications held between officers and LEIP 3 Funding officials, including any with Scottish Government officers; and
- (iv) to otherwise note the Committee Business Planner.

CAPITAL PROGRAMME DELIVERY: PROJECTS UPDATE - RES/23/284

5. The Committee had before it a report by the Director of Resources which (1) summarised the general progress of delivery of key capital expenditure projects identified within the approved Capital Programme from the General Fund and Housing Revenue Accounts; (2) highlighted those issues considered worthy of particular note which were specific to individual programmes/projects; and (3) incorporated the outcome of the recent reprofiling of the General Fund Capital Programme, which had been carried out to take account of the year end position for 2022/23 and other current project related factors.

The report recommended:-

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that the Committee –

- (a) note the status of delivery of the Section 3 highlighted programmes/projects contained within the approved Capital Programme;
- (b) note that Council on 23 August 2023 considered the Medium Term Financial Strategy which outlined the continued financial challenges facing the Council over the next 5 years; and
- (c) approve the reprofiled General Fund Capital funded projects/programmes as shown in Appendix B – Table 2, noting the use of the existing contingency budget in the programme.

The Convener, seconded by the Vice Convener moved:-

that the Committee approve the recommendations contained within the report.

Councillor Malik, seconded by Councillor Watson moved as an amendment:-

that the Committee –

- (1) approve recommendations 2.1 to 2.3 within the report;
- (2) agree that the projects outlined within the report were all instigated by the previous Labour led Administration and that it is wonderful to see Council bringing forward the previous administrations vision for the city including the building of 2,000 Council homes as promised; and
- (3) agree that as the Council may require to change/reprofile its 2023/24 budget following the decision to re-look at Library and Bucksburn Pool closures, and instruct the Chief Officer – Capital to report to Council in December 2023 of any capital impact to coincide with any decision that is required following the review into Libraries and Bucksburn Pool.

On a division, there voted:- for the motion (10) – the Convener, the Vice Convener and Councillors Allard, Cooke, Fairfull, Farquhar, Greig, Houghton, Hutchison and Radley; for the amendment (3) – Councillors Malik, Thomson and Watson.

The Committee resolved:-

- (i) to adopt the motion; and
- (ii) that in relation to Aberdeen Art Gallery, to instruct the Chief Officer – Capital to circulate to members of the Committee details relating to the funding contribution from the UK Government.

TRANSPARENCY STATEMENT

During discussion of the following item of business, Councillor Hutchison advised that he had a connection by virtue of him being a Council appointed Director of Aberdeen Heat and Power. Having applied the objective test, he did not consider that he had an interest and would not be withdrawing from the meeting.

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DISTRICT HEATING – NETWORK EXPANSION / WASTE HEAT UTILISATION (CITY CENTRE LINK) - COM/23/290

6. With reference to article 12 of the minute of meeting of the City Growth and Resources Committee of 21 September 2022, the Committee had before it a report by the Director of Commissioning which provided details of the proposed project to expand the district heating network and connect the network to a low carbon heat source.

The report recommended:-

that the Committee –

- (a) authorise the Head of Commercial and Procurement to undertake a procurement exercise to commission a feasibility study (to include network design to RIBA stage 3) and outline business case for Phase 1 of this project; and
- (b) instruct the Head of Commercial and Procurement to explore external funding sources to support the capital delivery of this project and to report the outcomes of recommendations 2.1 and 2.2 to this Committee during Q3 2024.

The Committee resolved:-

- (i) to approve the recommendations contained within the report; and
- (ii) that in relation to the Torry Heat Network, to instruct the Chief Officer – Capital to circulate a Service Update to members of the Committee providing details of the current and planned phased works proposals (and the proposed benefits from these proposals for the Torry community) outlining the public engagement events held and planned within the Torry community to inform residents.

TRANSPARENCY STATEMENT

During discussion of the following item of business, Councillor Allard advised that he had a connection by virtue of him being a member of the Real Living Wage Action Group. Having applied the objective test, he did not consider that he had an interest and would not be withdrawing from the meeting.

JOINT PROCUREMENT STRATEGY 2023-2026 - COM/23/266

7. The Committee had before it a report by the Director of Commissioning which presented the Joint Procurement Strategy 2023 - 2026 (Appendix A) for approval.

The report recommended:-

that the Committee –

- (a) approve the Joint Procurement Strategy 2023 - 2026 (Appendix A); and
- (b) note that the Joint Procurement Strategy 2023 - 2026 will be published once approved by Aberdeenshire Council and The Highland Council.

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The Committee resolved:-

- (i) to approve the recommendations; and
- (ii) to instruct the Head of Commercial and Procurement to circulate to all members of the Committee, an overview of the Supplier Development Programme event held recently.

PERFORMANCE MANAGEMENT FRAMEWORK REPORT – COMMISSIONING AND RESOURCES - COM/23/285

8. The Committee had before it a report by the Director of Commissioning which outlined the status of key cluster performance measures and activity indicators relating to the Commissioning and Resources functions within the remit of this Committee.

The report recommended:-

that the Committee note the report and provide comments and observations on the performance information contained in the report appendix.

The Committee resolved:-

to note the report and the performance information contained within the appendix.

CONDITION AND SUITABILITY 3 YEAR PROGRAMME - RES/23/276

9. The Committee had before it a report by the Director of Resources which sought approval of an updated 3-year Condition and Suitability (C&S) Programme.

The report recommended:-

that the Committee –

- (a) note the projects completed or legally committed to date in 2023/24 as shown in Appendix A;
- (b) note the currently approved projects and approves the amended estimated budgets for each project as shown in Appendix B;
- (c) approve the new Condition & Suitability Programme projects listed in Appendix C for inclusion in the Condition & Suitability Programme and approves the estimated budget for each project and delegates authority to the Chief Officer - Capital, following consultation with the Head of Commercial and Procurement Services, to consider and approve procurement business cases for each of these projects for the purposes of Procurement Regulation 4.1.1.2; and thereafter to procure appropriate works and services, and enter into any contracts necessary for the projects without the need for further approval from any other Committee of the Council;
- (d) approve the removal of the projects listed in Appendix D; and
- (e) delegate authority to the Chief Officer - Corporate Landlord, following consultation with the Capital Board and the Convener and Vice-Convener of this Committee, to amend the C&S Programme should priorities change due to unforeseen

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circumstances during the year, with such changes to be reported retrospectively to the Committee.

The Convener, seconded by the Vice Convener, moved:-
that the Committee approve the recommendations contained within the report.

Councillor Malik, seconded by Councillor Watson, moved as an amendment:-
that the Committee:-

- (1) note the report that indicates at Appendix D the removal of the projects listed below as they are no longer in operation:-
 - Cults Library;
 - Bucksburn Swimming Pool
 - Ferryhill Library; and
 - Northfield Library;
- (2) agree to defer the new projects mentioned in Appendix C of this report until the first meeting of this Committee after Council in December to follow the report on the future of the 6 Libraries and Bucksburn pool closed by the SNP as part of its 23/24 budget; and
- (3) agree that the Council has capitulated from the Budget proposed by this Convener of Finance in March, therefore it is self-evident that the Convener must give serious consideration to his suitability to represent the Council on matters of Finance.

On a division, there voted:- for the motion (8) – the Convener, the Vice Convener and Councillors Allard, Cooke, Fairfull, Greig, Hutchison and Radley; for the amendment (5) – Councillors Farquhar, Houghton, Malik, Thomson and Watson.

The Committee resolved:-

to adopt the motion.

WORK PLAN AND BUSINESS CASES - COM/23/279

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

The Procurement Business Cases related to the following:-

- Scotland Excel Secure Care;
- Crowd Management Partner;
- Retail Study 2023;
- Debt Collection;
- Infrastructure Hosting and Management (Data Centre);

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- School Meal Food Vouchers (Holiday Period);
- Mechanical Engineering Consultancy;
- Library Management System; and
- Estate Management.

The report recommended:-

that the Committee –

- (a) review the workplan as detailed in the Appendices for the Children’s and Family Services, Commissioning, Customer and Resources Functions;
- (b) approve the procurement business cases, including the total estimated expenditure for the proposed contract;
- (c) note the content of Appendix 3 - 3.10 Memos (Exemption Urgency); and
- (d) note the content of Appendix 4 - 4.1.3 Forms (Technical Exemption).

The Committee resolved:-

to approve the recommendations.

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

BELMONT CINEMA PREFERRED OPERATOR - COM/23/275

11. With reference to article 12 of the minute of meeting of 17 May 2023, the Committee had before it a report by the Director of Commissioning which provided information on the outcome of market testing in relation to identifying an operator for the Belmont Cinema and Media Centre, and outlined the proposal offers received.

The report recommended:-

that the Committee –

- (a) note the outcome of the Request for Information (RFI) market testing exercise through Public Contract Scotland;
- (b) approve the recommendation for Preferred Operator status based on the proposal at 3.15;
- (c) instruct the Head of Commercial and Procurement, following consultation with Chief Officer - Corporate Landlord, to draft a letter of agreement for a period of exclusivity to enable the ‘Preferred Operator’ to undertake fundraising and confirm final costs and feasibility; and
- (d) instruct the Chief Officer – City Growth to report back to the first meeting of the Finance and Resources Committee in 2024 on progress and any implications for the Council.

The Committee resolved:-

to approve the recommendations.

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NESS LANDFILL – LEASE PROPOSALS - RES/23/296

12. The Committee had before it a report by the Director of Resources which provided an update on the Ness Landfill site for the establishment of a Solar Park in connection with The Council Hydrogen Joint Venture.

The report recommended:-

that the Committee note current progress and instruct the Chief Officer - Corporate Landlord following consultation with the Chief Officer - Governance to enter into a long lease of the site, subject to the term within the report and the outcome of technical appraisals.

The Committee resolved:-

to approve the recommendation.

DISTRICT HEATING – NETWORK EXPANSION / WASTE HEAT UTILISATION (CITY CENTRE LINK) - EXEMPT APPENDIX

13. The Committee had before it an exempt appendix relating to the District Heating – Network Expansion/Waste Heat Utilisation (City Centre Link) report. (Article 6 of this minute refers)

The Committee resolved:-

to note the information contained within the exempt appendix.

CONDITION AND SUITABILITY 3 YEAR PROGRAMME - EXEMPT APPENDICES

14. The Committee had before it exempt appendices relating to the Condition and Suitability 3 Year Programme report. (Article 9 of this minute refers)

The Committee resolved:-

to note the information contained within the exempt appendices.

WORK PLAN AND BUSINESS CASES - EXEMPT APPENDICES

15. The Committee had before it exempt appendices relating to the Work Plan and Business Cases report. (Article 10 of this minute refers)

The Committee resolved:-

to note the information contained within the exempt appendices.

- **COUNCILLOR ALEX MCLELLAN, Convener**