

ABERDEEN CITY COUNCIL

Town House,  
ABERDEEN, 12<sup>th</sup> November, 2008

MINUTE OF MEETING OF ABERDEEN CITY COUNCIL

S e d e r u n t :

Lord Provost Peter Stephen, Chairperson;  
Depute Provost John West; and

COUNCILLORS

GEORGE ADAM  
YVONNE ALLAN  
MARIE BOULTON  
SCOTT CASSIE  
NORMAN COLLIE  
NEIL COONEY  
JOHN CORALL  
IRENE CORMACK  
WILLIAM CORMIE  
BARNEY CROCKETT  
KATHARINE DEAN  
ALAN DONNELLY  
JACQUELINE DUNBAR  
JAMES FARQUHARSON  
NEIL FLETCHER  
GORDON GRAHAM  
MARTIN GREIG  
JAMES HUNTER  
MURIEL JAFFREY  
JAMES KIDDIE

JENNIFER LAING  
GORDON LESLIE  
CALLUM McCAIG  
MARK McDONALD  
AILEEN MALONE  
ANDREW MAY  
ALAN MILNE  
JAMES NOBLE  
GEORGE PENNY  
JOHN REYNOLDS  
RICHARD ROBERTSON  
JENNIFER STEWART  
JOHN STEWART  
KEVIN STEWART  
WENDY STUART  
KIRSTY WEST  
JILLIAN WISELY  
WILLIAM YOUNG  
and  
IAN YUILL

Lord Provost Peter Stephen, in the Chair

## **BURGESSES**

1. The persons aforementioned were admitted into the presence of the Council and passed as Burgesses of Guild in respect of their respective Acts of Admission in the Guild Burgess Book:-

Reverend Robert Brown, Retired Church of Scotland Minister, Aberdeen;  
Christopher Croly, Historian, Aberdeen;  
Norman Esslemont, Clothing Retailer, Aberdeen;  
Alexander Law, Publican, Aberdeen;  
Councillor Kevin Stewart, City Councillor, Aberdeen;  
Reverend Stephen Taylor, Minister of Religion, Aberdeen; and  
Susan Watmough-Gray, Company Director, Aberdeen

## **ANNOUNCEMENTS**

2. (A) The Lord Provost advised that Aberdeen Maritime Museum had been classified as a five-star visitor attraction by the Scottish Tourist Board, and that it was one of only twelve attractions in Scotland to have received this accreditation.

(B) The Lord Provost congratulated Cults Academy on winning the Sunday Times Scottish State Secondary School of the Year Award, following its outstanding exam results over the last three years.

(C) The Lord Provost advised that Hazlehead Academy had been awarded its third Green Flag as part of the EcoSchools initiative, and was only the second school in the country to achieve this feat.

(D) Councillor Leslie explained that the Council's fostering and adoption services had been the subject of a recent inspection by the Care Commission, and that the inspection report had been very positive with no recommendations, with the Council having been given a good level 4 grading. Councillor Leslie thanked all of the staff involved in fostering and adoption services.

(E) Councillor Malone advised that the Council had won two awards at the recent Chartered Institute for Housing Awards in London - a silver award in the Increasing Environmental Sustainability category and a gold award for the Outstanding Achievement in Housing category, the overall UK award, for the Combined Heat and Power (CHP) project. Councillor Malone thanked all staff who had been involved, and Janice Lyon in particular for her outstanding contribution to the CHP project.

(F) The Lord Provost advised that the Council had finished in fourth place in the 2008 Corporate Decathlon, which was an improvement on tenth place in 2007. The Lord Provost commended all those who had taken part and highlighted that Lesley Coutts had been nominated as Team Captain of the Year.

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(G) The Lord Provost highlighted that Gordon Edwards, Corporate Director for Resources Management, had completed the New York Marathon at the beginning of the month. The Lord Provost thanked Mr Edwards for donating his sponsorship money, which was in excess of £2,000, to the Lord Provost's Charitable Trust, much of which would be donated to CLAN.

(H) The Lord Provost advised that the Council's Central Procurement Unit had been shortlisted in the recent Government Opportunities magazine Excellence in Public Procurement Awards Scotland, for successful joint working with Aberdeen City and Shire.

### **DECLARATION OF INTEREST**

**Councillor Crockett declared an interest in the following item by virtue of his wife being a teacher at Torry Academy. Councillor Crockett did not consider that the nature of his interest required him to leave the meeting.**

(I) Councillor Crockett advised that a pupil at Torry Academy had won an award from the Gordon Highlanders' Museum for writing about the First World War.

(J) Councillor Kiddie referred to the recent Aberdeen Sinfonietta concert at the Music Hall, which he considered had been an outstanding performance, and paid tribute to the amateur musicians who had been involved.

### **The Council resolved:-**

to concur with the remarks of the Lord Provost and each of the elected members.

### **REQUESTS FOR DEPUTATIONS**

3. The Council had before it, in accordance with Standing Order 10(1), the following requests for deputations:-

- (1) 7<sup>th</sup> and 31<sup>st</sup> Aberdeen Girls Brigade in relation to the referral from Area Committee North (as detailed at Article 8 of this minute);
- (2) Ian Fryer in relation to the referral from the Resources Management Committee on the proposed transfer of surplus school estate properties (as detailed at Article 9 of this minute);
- (3) Beacon Community Centre in relation to the referral from the Resources Management Committee on sports facilities for inclusion in an arm's length organisation (as detailed at Article 10 of this minute); and
- (4) Glencraft in relation to the report entitled "Glencraft - The Way Forward" (as detailed at Article 30 of this minute).

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**The Council resolved:-**

- (i) to approve the requests for deputations; and
- (ii) to agree that the report on Glencraft, as well as the deputation, be considered as the first item of business with the press and public excluded.

**MINUTE OF MEETING OF ABERDEEN CITY COUNCIL OF 17<sup>th</sup> SEPTEMBER 2008**

4. The Council had before it the minute of meeting of Aberdeen City Council of 17<sup>th</sup> September 2008.

**The Council resolved:-**

to approve the minute.

**PAMPHLET OF MINUTES**

5. The Council had before it a pamphlet of standing committee minutes from 26<sup>th</sup> August to 9<sup>th</sup> October 2008.

**The Council resolved:-**

to note the minutes.

**MINUTE OF MEETING OF THE ABERDEEN CITY ALLIANCE OF 14<sup>th</sup> AUGUST 2008**

6. The Council had before it the minute of meeting of The Aberdeen City Alliance of 14<sup>th</sup> August 2008 for information.

**The Council resolved:-**

to note the minute.

**MINUTE OF MEETING OF THE URGENT BUSINESS COMMITTEE OF 8<sup>th</sup> OCTOBER 2008**

7. The Council had before it the minute of meeting of the Urgent Business Committee of 8<sup>th</sup> October 2008.

**The Council resolved:-**

to approve the minute.

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### **AREA COMMITTEE NORTH - 23<sup>rd</sup> SEPTEMBER 2008 - SCHOOL LETS APPEALS**

8. With reference to Article 8 of the minute of meeting of Area Committee North of 23<sup>rd</sup> September 2008, which had been referred to it for consideration by four members of that Committee, the Council had before it (1) various let application (external) appeal forms for consideration; and (2) the resolution of the Committee, which was as follows:-

- (i) that the appeals which had been circulated with the agenda (7<sup>th</sup> and 31<sup>st</sup> Aberdeen Girls Brigade) be rejected unless the groups involved were willing to provide the full costs of the let in the future; and
- (ii) that consideration of the appeals submitted late by Bridge of Don Community Council, 2<sup>nd</sup> Parkway Brownies and 2<sup>nd</sup> Machar Brownies and Rainbows be deferred to the next meeting, meantime existing arrangements to continue in force until the October school holidays.

#### **The Council resolved:-**

- (i) to note that Councillor Reynolds, Convener of Area Committee North, considered that the minute extract from the meeting of Area Committee North was inaccurate in that (1) the Committee had agreed that only the appeals from the 7<sup>th</sup> and 31<sup>st</sup> Aberdeen Girls Brigade would be referred to Council for consideration; and (2) the Committee had instructed officers to discuss with the groups other alternatives prior to the Council meeting which had not happened; and
- (ii) to refer the matter back to the next meeting of Area Committee North on the basis of the above, and that the deputation be heard at that meeting.

### **RESOURCES MANAGEMENT COMMITTEE - 30<sup>th</sup> SEPTEMBER 2008 - PROPOSED TRANSFER OF SURPLUS SCHOOL ESTATE PROPERTIES FROM THE GENERAL SERVICES ACCOUNT TO THE HOUSING REVENUE ACCOUNT**

9. With reference to Article 8 of the minute of meeting of the Resources Management Committee of 30<sup>th</sup> September 2008, which had been referred to it by three members of that Committee, the Council had before it (1) a report by the Head of Resources Development and Delivery proposing that some of the sites declared surplus to requirements following the recent school estate rationalisation be transferred to the Housing Revenue Account for affordable housing; and (2) the resolution of the Committee that the recommendations contained in the report be approved as follows:-

- (a) to approve the transfer of Byron Park Infant School and St. Machar Primary School from the General Services Account to the Housing Revenue Account for the sum of £1,440,000; and
- (b) to instruct the Head of Resources Development and Delivery to proceed with the demolition of the existing buildings on both of these sites at the earliest opportunity.

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In terms of Standing Order 10(2), the Council received a deputation from Mr Ian Fryer, who called on the Council to retain the Portal Community Centre on the St. Machar Primary School site, which he advised had gone from strength to strength since it opened in 1993 and had attracted significant levels of funding for community use. Mr Fryer highlighted that Tillydrone was a priority regeneration area and that the community needed the Portal Community Centre to remain where it was.

Councillor Kevin Stewart responded to Mr Fryer that the transfer of the St. Machar Primary School site would not affect the Portal Community Centre in the immediate future, however there would be a review of provision in the area which would be the subject of full consultation with local residents, and the Community Centre would be subject to the community centres review and budgetary considerations.

Councillor Kevin Stewart moved, seconded by Councillor Dean:-

That the Council reaffirm the decision of the Resources Management Committee.

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

That the sites of Byron Park Infant School and St. Machar Primary School be advertised for sale on the open market in order to secure best value for the Council.

On a division, there voted:-

For the motion (32) - Lord Provost Stephen; Depute Provost John West; and Councillors Boulton, Cassie, Corall, Cormack, Cormie, Dean, Donnelly, Dunbar, Farquharson, Fletcher, Greig, Jaffrey, Kiddie, Leslie, McCaig, McDonald, Malone, May, Milne, Noble, Penny, Reynolds, Robertson, Jennifer Stewart, John Stewart, Kevin Stewart, Wendy Stuart, Kirsty West, Wisely and Yuill.

For the amendment (9) - Councillors Adam, Allan, Collie, Cooney, Crockett, Graham, Hunter, Laing and Young.

**The Council resolved:-**

- (i) to adopt the motion; and
- (ii) to note that the transfer of the St. Machar Primary School site would not affect the Portal Community Centre in the immediate future, however there would be a review of provision in the area which would be the subject of full consultation with local residents, and the Community Centre would be subject to the community centres review and budgetary considerations.

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## **DECLARATIONS OF INTEREST**

**During the course of the following item of business a number of members declared interests as follows:-**

**Councillors Collie, Dunbar and Fletcher declared interests as Directors of Aberdeen Sports Village.**

**Councillor Dean declared an interest as Chairperson of Cove Rangers Football Club Supporters Club.**

**Councillor McDonald declared an interest as the Council's appointed representative on the Board of Aberdeen Performing Arts.**

**All of the Councillors named above did not feel it necessary to leave the meeting during the Council's consideration of the item.**

## **RESOURCES MANAGEMENT COMMITTEE - 30<sup>th</sup> SEPTEMBER 2008 - SPORTS FACILITIES FOR INCLUSION IN ARM'S LENGTH ORGANISATION**

**10.** With reference to Article 3 of the minute of meeting of the Resources Management Committee of 30<sup>th</sup> September 2008, which had been referred to it by three members of that Committee, the Council had before it (1) a report by the Head of Economic and Environmental Sustainability recommending potential sports facilities for inclusion in an arm's length organisation being established by the Council to operate such facilities; and (2) the resolution of the Committee that the recommendations as set out below be approved subject to the deletion of Harlaw Outdoor Sports Facility and Rubislaw Outdoor Sports Facility in accordance with the recommendation of the Sports Trust Project Board, and that the matter be referred to the Continuous Improvement Committee to drive the process forward.

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

that the Resources Management Committee -

- (a) agree that the following sports facilities be identified for potential transfer to an arm's length management organisation subject to further confirmation on conclusion of a review of legal and asset management considerations -

#### Swimming Pools

Beach Leisure Centre and the swimming pools at Bridge of Don, Bucksburn, Hazlehead, Kincorth, Northfield and Tullos.

#### Indoor Sports Facilities

Alex Collie Sports and Community Centre, the Jesmond Centre, the Torry Youth and Leisure Centre and the Sports Centres at Kincorth, Peterculter and Sheddocksley.

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Golf Courses

The golf courses at Auchmill, Balnagask and King's Links (18 and 6 hole courses).

Outdoor Sports Facilities

Nelson Street playing field and the outdoor sports centres at Albury, Aulton, Hazlehead, Hilton, Inverdee, Northfield, St. Machar, Sheddocksley, Harlaw, Rubislaw, Torry and Ruthrieston.

Community Education Centre

Beacon Community and Education Centre

- (b) agree that the following facilities be the subject of a twin track approach whereby they would be potentially transferred to an arm's length management organisation if there were no successful tenders or other decisions taken in relation to these facilities -
- Linx Ice Arena
  - Westburn Tennis Centre
  - Westburn Outdoor Sports Facility
  - Linksfild Swimming Pool
  - Links Outdoor Pitches
  - Hazlehead Golf Courses
  - Hazlehead Park Attractions;
- (c) agree that the Council's remaining outdoor centres, Community Education Centres, Cromdale Outdoor Centre, Dyce Academy Swimming Pool and "kickabout areas" continue to be managed by the City Council;
- (d) agree that further consideration be given to the programming of the sports facilities in schools, including the 3Rs schools, with possible options that they be transferred to the arm's length management organisation which would assume responsibility for after school community activities within these schools or that existing arrangements remain.

In terms of Standing Order 10(2), the Committee received a deputation on behalf of the Beacon Community Centre. Mr Graeme Lawrence, Chair of the Management Committee of the Beacon Community and Education Centre expressed concern at the proposal to transfer the facility to an arm's length organisation, emphasising that it was well run and very well used under the existing management arrangements. Mr Lawrence stated that financial arguments for the inclusion of the centre did not appear to be justified as most of the staff were volunteers and others were paid by the centre which used its own funds to pay staff, train staff and purchase and maintain equipment. The centre did not pay rates or VAT and received no financial assistance from the Council. Mr Lawrence re-emphasised that the centre was well used by the local community and there were anxieties about possible price increases and restrictions on access which could arise if a trust took over the overall management of the centre.

Members then asked questions of Mr Lawrence and thanked him for his presentation.



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Councillor Kevin Stewart moved, seconded by Councillor Jennifer Stewart:-

That the Council reaffirm the decision of the Resources Management Committee.

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

That the Council agree to remove Beacon Community Centre and Torry Youth and Leisure Centre from the potential list of sports facilities for inclusion in the arm's length organisation. Council further defers identification of the potential facilities to transfer to an arm's length management organisation until a detailed report with accurate agreed information on any other such facilities is presented to the Council.

Councillor Boulton moved as further amendment, seconded by Councillor Donnelly:-

That the Council reaffirm the decision of the Resources Management Committee subject to the removal of Beacon Community Centre from the list of facilities for potential transfer to an arm's length organisation.

On a division between the amendment by Councillor Crockett and the amendment by Councillor Boulton, there voted:-

For the amendment by Councillor Crockett (8) - Councillors Adam, Allan, Collie, Cooney, Crockett, Graham, Hunter and Laing.

For the amendment by Councillor Boulton (7) - Councillors Boulton, Donnelly, Farquharson, Fletcher, Leslie, Milne and Reynolds.

Declined to vote (25) - Lord Provost Stephen; Depute Provost John West; and Councillors Cassie, Corall, Cormie, Cormack, Dean, Dunbar, Greig, Jaffrey, Kiddie, McCaig, McDonald, Malone, May, Noble, Penny, Robertson, Jennifer Stewart, John Stewart, Kevin Stewart, Wendy Stuart, Kirsty West, Wisely and Yuill.

Absent from the division (1) - Councillor Young.

The Council then divided between the motion and the amendment by Councillor Crockett.

On a division, there voted:-

For the motion (27) - Lord Provost Stephen; Depute Provost John West; and Councillors Cassie, Corall, Cormack, Cormie, Dean, Dunbar, Fletcher, Greig, Jaffrey, Kiddie, Leslie, McCaig, McDonald, Malone, May, Noble, Penny, Reynolds, Robertson, Jennifer Stewart, John Stewart, Kevin Stewart, Wendy Stuart, Kirsty West and Yuill.

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For the amendment by Councillor Crockett (12) - Councillors Adam, Allan, Boulton, Collie, Cooney, Crockett, Donnelly, Farquharson, Graham, Hunter, Laing and Milne.

Declined to vote (1) - Councillor Wisely.

Absent from the division (1) - Councillor Young.

**The Council resolved:-**  
to adopt the motion.

### **CHIEF EXECUTIVE'S PROGRESS REPORT**

**11.** With reference to Article 10 of the minute of its meeting of 17<sup>th</sup> September 2008, the Council had been circulated in advance of the meeting with a report by the Chief Executive providing details on progress on corporate and service specific issues throughout the Council since September 2008.

**The Council resolved:-**  
to note the information detailed in the report.

### **MATTER OF URGENCY**

**Lord Provost Stephen intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973, that the following item be considered as a matter of urgency as the Council had agreed that the Leadership Board should report back on progress each cycle.**

### **LEADERSHIP BOARD UPDATE**

**12.** With reference to Article 11 of the minute of its meeting of 17<sup>th</sup> September 2008, the Council had before it a report by the Chief Executive which provided an update on the actions that had been taken by the Leadership Board to address the findings and recommendations of the Accounts Commission for Scotland on *Aberdeen City Council: Reports by the Controller of Audit on the Audit of Best Value and Community Planning and on the Property Sales Investigation*.

The report advised (a) that the Leadership Board had met with the External Support Group on 31<sup>st</sup> October 2008, and that the members of the Leadership Board and the Chief Executive had provided the External Support Group with a presentation which set out the local context within which the Council was operating, the stage

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the Council had reached in responding to the Accounts Commission's findings and recommendations, the priorities for the Transformation Programme, and the Council's finances to 2010 with a focus on the report presented to the Budget Monitoring Board on 27<sup>th</sup> October 2008; (b) that the External Support Group had expressed satisfaction with the progress being made by the Council and again stressed the fundamental importance of the Council re-establishing a firm financial footing; (c) that the following seven priority areas had been identified for the Transformation Programme:-

- effective management of the Council's financial resources and assets
- delivering modern efficient, effective, responsible and accessible services
- developing a competent, efficient and flexible workforce
- promoting an informed, engaged and motivated workforce
- effectively responding to external audits
- improving capacity, accountability and performance
- rebuilding confidence and reputation;

(d) that it had been agreed that the Leadership Board would continue its relationship with the External Support Group until June 2009, as at that point the report by Audit Scotland on its review of the Council's progress would have been presented to the Accounts Commission, and that the next joint meeting would take place in mid-January 2009; (e) that the Leadership Board and the Chief Executive had met with Caroline Gardner of Audit Scotland on 3<sup>rd</sup> November 2008 to have an initial discussion on the arrangements for Audit Scotland's Best Value Review progress report on the Council, and that she had indicated that she had discussed matters with colleagues in other inspectorates and that they would work jointly to streamline their requirements of the Council, wherever possible, in spring 2009; and (f) that formal notification of the arrangements was awaited from Audit Scotland but in the meantime the Corporate Management Team was drawing together the necessary strands of work ahead of further discussions with Audit Scotland.

**The report recommended:-**

that the Council -

- (a) note the progress to date in addressing the findings and recommendations of the Accounts Commission for Scotland on *Aberdeen City Council: Reports by the Controller of Audit on the Audit of Best Value and Community Planning and on the Property Sales Investigation*; and
- (b) instruct the Chief Executive and other appropriate officers to proceed with all necessary actions, reporting back as required to the Leadership Board.

**The Council resolved:-**

- (i) to approve the recommendations;
- (ii) to request that a copy of the Chief Executive's presentation to the External Support Group on 31<sup>st</sup> October 2008 be circulated to all members; and
- (iii) to thank the members of the External Support Group for their continued input.

## **POLLING DISTRICTS AND POLLING PLACES REVIEW**

**13.** The Council had before it a report by the Head of Democratic Services which presented an updated list of recommended polling places for approval to proceed to public consultation.

The report explained that Section 16 of the Electoral Administration Act 2006 required each local authority to conduct a review of polling districts and polling places for use at parliamentary elections every four years. In doing so the local authority must ensure reasonable facilities for voting and that polling places were accessible to all electors, including voters with a disability, so far as was practicable. It was highlighted that a full review of the Council's polling districts and polling places had taken place in October 2006 as part of the revisions to reflect the new multi-member wards and this largely satisfied the legislative requirements, however some additional work was required to take account of lessons learned from the May 2007 elections and the consequences of the 3Rs work.

The report proposed amendments to the location of polling places for elections conducted under UK parliamentary constituency boundaries. In relation to the **Mugiemoss** polling district this would involve moving from Danestone Primary School to Riverbank Primary School. It was also proposed to move the polling place for the **Summerhill Endrick** polling district to Fernielea Primary School.

The report then proposed amendments to the location of polling places as a result of changes to the primary school estate as follows:-

**Springhill North** - Marchburn Nursery Infants' School move to Heathryburn School  
**Middlefield** - Middlefield Primary School move to Smithfield Primary School  
**Don** - Seaton Primary School move to St Ninian's Church then Seaton from 1<sup>st</sup> January 2010  
**Seaton North** - Seaton Primary School move to St Ninian's Church then Seaton from 1<sup>st</sup> January 2010  
**Raeden** - Mile End Primary School move to Midstocket Parish Church  
**Craigden** - Hazlehead Primary School (new)  
**Hazlehead** - Hazlehead Primary School move to Hazlehead Primary School (new)  
**Garthdee** - Kaimhill Community Centre until August 2009 then move to Garthdee Parish Church until December 2010 then return to Kaimhill Community Centre  
**Kaimhill** - Kaimhill Community Centre until August 2009 then move to Garthdee Parish Church until December 2010 then return to Kaimhill Community Centre  
**Torry West** - Torry Nursery School move to Torry Youth and Leisure Centre  
**Craighill** - Craighill School move to Kincorth Academy

Lastly, the report proposed other changes to the location of polling places as follows:-

**Gairn** - South Holburn Church  
**Hilton West and Hilton East** - Hilton Community Centre  
**Kingswells Central and South** - Former Fairley Road School  
**Torry East** - Phoenix Club

**St Machar - St Machar Academy****The report recommended:-**

that the Council -

- (a) approve the list of recommended polling places appended to the report subject to any changes;
- (b) agree that the Council proceed to public consultation following approval of the list of recommended polling places; and
- (c) agree that there should be no change to polling districts at this time.

**The Council resolved:-**

- (i) to agree that Abbotswell Primary School replace Kincorth Academy for the Craighill polling district in the list of recommended polling places for public consultation;
- (ii) to defer consideration of the Garthdee, Kaimhill and Torry East polling districts for officers to report back with alternative proposals; and
- (iii) otherwise to approve the recommendations.

**TAKING FORWARD REGENERATION MASTERPLANS**

**14.** The Council had before it a report by the Corporate Director for Strategic Leadership which provided members with proposals and information on the work which was currently being undertaken to progress the delivery of the masterplans for the city's regeneration priority neighbourhoods and the overall strategy for their delivery.

The report provided an update on the proposals for taking forward the regeneration masterplans that took account of the demise of the Community Ownership Programme and the current state of the housing market and the effect this would have on the deliverability of the original vision - namely that an incremental and opportunistic approach was now to be taken. This would include sites within and outwith the regeneration masterplan areas, which would be taken forward as housing development opportunities for new affordable homes in the city but that adhered to the principles outlined in the original regeneration masterplans.

The report also detailed the advice of officers, following the outcome and advice from IPF and Tribal, in relation to financial viability testing on options to progress the delivery of the masterplans. This advice was within the context of existing financial constraints and would identify proposed delivery mechanisms. Proposals regarding the phasing and programme for delivery of the first phase of the masterplans were also outlined.

The report went on to cover the implications and proposals regarding future housing policy changes that would be required to support the regeneration programme, particularly in relation to letting, re-housing, decanting and allocation prioritisation. An update on progress was provided in relation to the housing

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demonstration projects in Tillydrone, Cummings Park (which, due to site constraints, was being replaced by Manor Walk which was identified for redevelopment as part of the original masterplan proposals) and Torry included in the 2008/09 budget setting process.

The report also covered specific proposals for the Middlefield area affected by the proposed new link road impacting on the Haudagain Roundabout primarily in relation to the re-housing requirements the proposed development would require. The report concluded with an update on measures to address the social and economic factors relating to regeneration, including the Fairer Scotland Fund.

**The report recommended:-**

that the Council -

- (a) agree the overall strategic delivery framework for the regeneration masterplans;
- (b) agree the revised Housing Revenue Account Business Plan and the associated prudential borrowing of £42,887,661 for the provision of up to 344 new council houses within thirty-three years at an interest rate of 6.25%;
- (c) agree that subject to (1) the Scottish Government approval of the Council's preferred option for the Haudagain Junction improvement; and (2) Resources Management Committee approval in March 2009 on the associated regeneration business case (or the earliest possible opportunity for the Council to consider the business case), that the re-letting of properties affected by the Haudagain development should be suspended;
- (d) authorise officers to commence a communication process with tenants (and other private sector occupiers) on the implications and assistance they would receive as required under Section 54 of the Housing (Scotland) Act 2001;
- (e) authorise officers to seek approval from Scottish Ministers to refuse a right to buy application on the grounds that the property was earmarked for demolition under Section 70A of the Housing (Scotland) Act 2001;
- (f) note the first phase of delivery: the demonstration projects in Tillydrone, Torry, Manor Walk (in place of Cummings Park) and Middlefield associated with the junction improvements at the Haudagain Junction;
- (g) agree that officers be tasked with monitoring the social and financial impact of the implementation of these initial phases of the regeneration masterplans and report after six months to the Policy and Strategy Committee on any proposed changes to policy and approach that may be required;
- (h) task officers with preparing a governance structure, in conjunction with legal and financial services input, to go to the Policy and Strategy Committee on 3<sup>rd</sup> March 2009, that would allow for a delegation of authority to senior members and officers to allow for a swift decision making process on a range of matters from site disposal, housing policy, project monitoring, tendering etc. (this is not a comprehensive list, and would be in line with the Council's financial regulations, Standing Orders and procurement policies);
- (i) approve the proactive marketing of housing sites for new mixed tenure housing, increasing the overall availability of affordable housing in the city, subject to the approval of an identified list of sites by the Resources Management Committee on 5<sup>th</sup> February 2009;

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- (j) agree that members lobby the Scottish Government for funds being released under the £25million being made available in support of the Scottish Government green paper "Firm Foundations"; and
- (k) note the preparation of a communications and engagement plan.

Councillor Dunbar moved, seconded by Councillor Malone:-

That the recommendations contained in the report be approved subject to the addition to recommendation (c) of "and that officers consult the Scottish Government on the conditions attached to the purchase of properties and their vacant possession."

Councillor Farquharson moved as an amendment, seconded by Councillor Boulton:-

That the Council:-

- (1) note the content of the report;
- (2) obtain a clearer picture of any additional net cost to the annual Housing Revenue Budget;
- (3) re-address the current feasibility of the plans in the light of existing debt, the impact of the "credit crunch" and other major capital projects (Marischal College, Community Stadium, 50 metre pool and Peacock Visual Arts);
- (4) recognise that a large measure of the current perceived need for regeneration lies in our past inability to handle drug abuse, alcoholism, anti-social behaviour and teenage pregnancy in our communities;
- (5) take a zero tolerance approach in respect of Council house tenants who act as blight on the decent communities in which they reside;
- (6) recognise that new social housing is necessary in the city but not the need to demolish hundreds of houses to achieve that end; and
- (7) in the event that the project goes ahead as planned, make strenuous efforts to persuade the Scottish Government to reallocate some of the excess business rates that have not been returned to the city coffers, in order to cover the cost of regeneration costs incurred but not paid by central government.

Councillor Graham moved as further amendment, seconded by Councillor Allan:-

That the Council call for a further report before proceeding in order to ensure that members have all the relevant information available. This further report would include the following:-

- (1) Details of the revised Housing Revenue Account Business Plan and the associated prudential borrowing of £42,887,661, for the provision of up to 344 new council houses within thirty-three years at an interest rate of 6.25%;
- (2) Detailed account of the work already done in Torry and an assurance of its progression and continuation;
- (3) Detailed account of the reasons why there will be no new build housing as part of the regeneration within Cummings Park;
- (4) Detailed account of any work done in Tillydrone and an assurance of its progression;

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- (5) Clarification regarding Middlefield and the associated junction improvements at the Haudagain Junction;
- (6) Identification of any planning constraints which would prevent development at Manor Walk;
- (7) Identification of the financial details, including any requests to be made by the Council to the Scottish Government for funding of the replacement housing and replacement facilities for Middlefield Community Flat, Middlefield Youth project, Pathways and the Healthy Hoose, should the link road go ahead;
- (8) Confirmation of the expected receipts by the sale of the triangle of land at the Haudagain Junction;
- (9) Clarification on whether or not residents who have been promised new housing will receive an offer that would be at 25% over their current rental charge;
- (10) Clarification on whether residents affected by regeneration would be provided with new homes or simply moved to existing stock;
- (11) Provision of an alternative recommendation to the current proposal that allows for a delegation of authority to senior members and officers; and
- (12) Provision of more detail on regeneration activities other than housing.

On a division between the amendment by Councillor Farquharson and the amendment by Councillor Graham, there voted:-

For the amendment by Councillor Farquharson (6) - Councillors Boulton, Donnelly, Farquharson, Greig, Milne and Penny.

For the amendment by Councillor Graham (8) - Councillors Adam, Allan, Collie, Cooney, Crockett, Graham, Hunter and Laing.

Declined to vote (23) - Lord Provost Stephen; Depute Provost John West; and Councillors Cassie, Corall, Cormie, Cormack, Dean, Dunbar, Fletcher, Jaffrey, Kiddie, McCaig, McDonald, Malone, May, Noble, Robertson, Jennifer Stewart, John Stewart, Kevin Stewart, Wendy Stuart, Kirsty West and Yuill.

Absent from the division (4) - Councillors Leslie, Reynolds, Wisely and Young.

The Council then divided between the motion and the amendment by Councillor Graham.

On a division, there voted:-

For the motion (26) - Lord Provost Stephen; Depute Provost John West; and Councillors Boulton, Cassie, Corall, Cormack, Cormie, Dean, Dunbar, Fletcher, Greig, Jaffrey, Kiddie, McCaig, McDonald, Malone, May, Noble, Penny, Robertson, Jennifer Stewart, John Stewart, Kevin Stewart, Wendy Stuart, Kirsty West and Yuill.



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For the amendment by Councillor Graham (9) - Councillors Adam, Allan, Collie, Cooney, Crockett, Donnelly, Graham, Hunter and Laing.

Declined to vote (2) - Councillors Farquharson and Milne.

Absent from the division (4) - Councillors Leslie, Reynolds, Wisely and Young.

**The Council resolved:-**  
to adopt the motion.

## **BATHROOM CHOICES IN THE COUNCIL'S HOUSING MODERNISATION PROGRAMME**

**15.** With reference to Article 17 of the minute of meeting of the Resources Management Committee of 30<sup>th</sup> September 2008, the Council had before it a report by the Head of Resources Development and Delivery proposing that the current policy for the modernisation of Council housing which allowed tenants to choose from a bath only, a bath with over bath shower or, following an occupational therapist's assessment, a level access shower be extended to include the choice of a shower cabinet.

The report explained that this proposed increase in choice was in response to customer opinion. The report detailed the costs as follows:- bath only - £550; bath with over bath shower - £1,250; level access shower - £2,900; and shower cubicle £2,300. It was anticipated that the additional capital costs could be met from the Housing Capital Expenditure Budget in the current financial year and future budget projections within the Housing Revenue Account Business Plan. The report advised that in many multi-storey blocks the installation of a shower was not possible due to electrical and water pressure systems.

The Resources Management Committee had resolved:-

- (i) to approve the proposal to allow customers the choice of a shower cabinet through the modernisation programme for Council houses;
- (ii) to instruct the Head of Resources Development and Delivery to make all necessary arrangements to ensure that tenants included in all future programmes for the refurbishment of Council housing be given such a choice where it is technically feasible to do so;
- (iii) to refer the report to the Policy and Strategy Committee for its consideration and approval; and
- (iv) to instruct officers to ensure that no major financial implications for the Housing Business Plan arise as a result of this decision.

**The Council resolved:-**  
to approve the decision of the Resources Management Committee.

**ABERDEEN BUSINESS IMPROVEMENT DISTRICT (BID) DEVELOPMENT COMPANY**

**16.** With reference to Article 12 of the minute of its meeting of 13<sup>th</sup> August 2008, the Council had before it a report by the Corporate Director for Strategic Leadership which sought approval for the initial board membership and governance structure of the BID development company.

The report reminded members that the Council had approved the establishment of an arm's-length company to develop a BID for Aberdeen city centre. It was explained that a BID was a partnership between a local authority and the local business community to develop projects and services that would benefit the trading environment within the boundary of a clearly defined commercial area, where businesses had voted to invest collectively in local improvements which would benefit the local economy.

The report stated that the legal advice from Brodies LLP, acting as legal advisers to the Council, was to establish a company, which for the development phase of the BID would have a straightforward governance structure and would be a Council owned company, with a mix of directors from the public and private sectors all appointed by the Council. If the ballot on BID proposals was successful the BID company would adopt a new constitution and governance structure more suited to the operational phase. The final constitution and governance structure would be one output from the development phase. It was therefore proposed that a company of this nature be established and named Aberdeen BID Development Company, with a mix of directors as reflected in the recommendations of the report.

The report explained that the project team was preparing tender and contract documentation for the appointment of a BID development project manager. It was anticipated that the cost of this work would require competitive tender between at least four parties but would not be above the threshold required for full EU procurement. To facilitate an appointment being made on the planned schedule, the report requested that delegated authority for the acceptance of a tender other than the lowest, as per Standing Order 71(8)(v), be delegated to the board of the BID development company, and that if the company board was not established when the appointment was to be made procurement would proceed in accordance with the Council's Standing Orders and Financial Regulations.

**The report recommended:-**

that the Council -

- (a) approve that the initial board of directors of the proposed company would consist of the Corporate Director for Strategic Leadership, the Corporate Director for Neighbourhood Services (South Area), the Managing Director of John Lewis Aberdeen and the Chairman of the Aberdeen City Centre Association;
- (b) agree that any future appointments to the board of directors would be approved by the board of directors or by the Council;

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- (c) approve that the company be called "Aberdeen BID Development Company Limited"; and
- (d) delegate authority for the acceptance of a tender for services required to support the BID development that was not the lowest priced be given to the company board - if for any reason the company board was not established when the appointment was to be made, procurement would proceed in accordance with the Council's Standing Orders and Financial Regulations.

The City Solicitor advised the Council that she had some concerns in relation to recommendation (d), and proposed that this recommendation be deleted with the exception of the fallback position if the company board was not established when the appointment was to be made.

Councillor Dean moved, seconded by Councillor Kevin Stewart:-

That the recommendations contained in the report be approved subject to the deletion of recommendation (d) in accordance with the advice from the City Solicitor, and to agree that if the company board was not established when the appointment was to be made that procurement would proceed in accordance with the Council's Standing Orders and Financial Regulations.

Councillor Cooney moved as an amendment, seconded by Councillor Adam:-

That the recommendations contained in the report be approved subject to the deletion of recommendation (d) in accordance with the advice from the City Solicitor, and to agree that if the company board was not established when the appointment was to be made that procurement would proceed in accordance with the Council's Standing Orders and Financial Regulations; and that the initial board comprise six directors, with three directors from the business community and three directors from the Council, one of whom would be an elected member.

On a division, there voted:-

For the motion (24) - Lord Provost Stephen; Depute Provost John West; and Councillors Cassie, Corall, Cormack, Cormie, Dean, Dunbar, Fletcher, Greig, Jaffrey, Kiddie, McDonald, Malone, May, Noble, Penny, Robertson, Jennifer Stewart, John Stewart, Kevin Stewart, Wendy Stuart, Kirsty West and Yuill.

For the amendment (11) - Councillors Adam, Allan, Boulton, Collie, Cooney, Crockett, Donnelly, Farquharson, Graham, Hunter and Laing.

Absent from the division (6) - Councillors Leslie, McCaig, Milne, Reynolds, Wisely and Young

**The Council resolved:-**  
to adopt the motion.

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## **10<sup>TH</sup> ANNIVERSARY OF THE SCOTTISH PARLIAMENT**

**17.** The Council had before it a report by the Corporate Director for Neighbourhood Services (North Area) which outlined proposals for the city to host a travelling exhibition by the Scottish Parliament to celebrate its tenth anniversary in 2009.

The report explained that Brian Adam MSP had contacted the Council and the University of Aberdeen seeking nomination of dates and a suitable venue within the city to host a travelling exhibition by the Scottish Parliament to celebrate its tenth anniversary in 2009. The exhibition would tour the country from April to December 2009, and be in-situ for approximately three to four weeks per venue.

The University of Aberdeen had advised that it did not have facilities large enough to accommodate the exhibition during term time which were located centrally. Therefore, the report proposed that the exhibition be hosted at Aberdeen Art Gallery's studio workspace on the ground floor of the gallery for a period of three weeks from 14<sup>th</sup> September 2009. The report highlighted that the agreement with the Scottish Parliament would be based on no additional staffing resources being required by the Art Gallery to oversee the exhibition, and that the Council would not charge a fee for the venue.

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

that the Council offer to host the event for a three week period from 14<sup>th</sup> September 2009 at the Aberdeen Art Gallery.

### **The Council resolved:-**

to approve the recommendation.

## **BUDGET MONITORING BOARD REMIT**

**18.** The Council had before it a report by the Corporate Director for Resources Management which set out the remit of the Budget Monitoring Board, and requested a further extension of the remit to authorise the Board to contribute to the budget setting process for 2009/10 and future years.

The report explained that the Budget Monitoring Board had been established by the Council at its meeting of 14<sup>th</sup> February 2008 (Article 2 of the minute refers), and that its remit had been approved by the Council on 9<sup>th</sup> April 2008 (Article 29 of the minute refers) and extended by the Urgent Business Committee on 18<sup>th</sup> July 2008 (Article 4 of the minute refers).

The report set out the current remit, which was as follows:-

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## A. BUDGET MONITORING

- (1) To establish processes and procedures for the close monitoring of budgets approved by the Council.
- (2) To receive budget monitoring reports from each Service and to ensure close scrutiny of the management of each Service budget.
- (3) To call budget holders to account for the proper control of the budgets for which they are responsible.
- (4) To ensure action plans are in place to meet the budget savings approved by the Council and to monitor the performance thereof.

## B. TRANSFORMATION STRATEGIES

- (1) To receive reports on progress in regard to budget forecasts agreed by the Council in approving Transformation Strategies.
- (2) To scrutinise performance of each Service against each budget forecast within the approved Transformation Strategy.

## C. BUDGET APPROVALS

- (1) To approve expenditure from the Corporate Revenue Investment Fund, including the temporary appointment of employees required to meet savings targets or the budget forecasts within the approved Transformation Strategies.
- (2) Nothing in the remit at C(1) above would enable the Board to approve additional staffing or structure proposals which would ordinarily fall within the approved remit of the Resources Management Committee, except where the approved relates directly to budget savings approved at the Council budget meeting or Transformation Strategy budget forecasts.

## D. DECISION-MAKING POWERS

To exercise decision-making powers to ensure that decisions on finance matters can be made immediately without the need to refer items to the Resources Management Committee which includes powers to consider and potentially approve robust business cases for advertising vacancies from services.

The report made reference to the meeting of the Budget Monitoring Board of 27<sup>th</sup> October 2008 (Article 2 of the minute refers), when it had been agreed to recommend approval of a revised remit for the Board to grant it decision-making powers within the financial strategy for 2009/10 and for future years to be agreed by the Resources Management Committee and the Council, and that this amendment, as reflected in the report's recommendation, be added to the remit within section A, Budget Monitoring.

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**The report recommended:-**

that the Council agree to extend the remit of the Budget Monitoring Board as follows:- to establish or contribute to processes and procedures to facilitate the development of the financial strategy for 2009/10 and future years including the close monitoring of budgets (both capital and revenue) as approved by the Council.

Councillor John Stewart moved, seconded by Councillor Kevin Stewart:-

That the recommendation contained in the report be approved subject to the deletion of "establish or" from the proposed extended remit.

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

That the Council add to the remit that the Board should not have any spending powers, and agree to restructure the Board on the basis of political representation as per the Policy and Strategy Committee, the Resources Management Committee, the Continuous Improvement Committee and the Scrutiny Panel.

On a division, there voted:-

For the motion (27) - Lord Provost Stephen; Depute Provost John West; and Councillors Boulton, Cassie, Corall, Cormack, Cormie, Dean, Donnelly, Dunbar, Farquharson, Fletcher, Greig, Jaffrey, Kiddie, McDonald, Malone, May, Noble, Penny, Robertson, Jennifer Stewart, John Stewart, Kevin Stewart, Wendy Stuart, Kirsty West and Yuill.

For the amendment (8) - Councillors Adam, Allan, Collie, Cooney, Crockett, Graham, Hunter and Laing.

Absent from the division (6) - Councillors Leslie, McCaig, Milne, Reynolds, Wisely and Young

**The Council resolved:-**

to adopt the motion.

**SUSPENSION OF STANDING ORDERS TO EXTEND LENGTH OF MEETING**

**19.** The Council at this juncture acknowledged that the meeting would extend past the time allowed within the Council's Standing Orders (as detailed in Standing Order 17(6)).

**The Council resolved:-**

to suspend Standing Order 17(6) to enable the Council to conclude its business this day.

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## **DECLARATION OF INTEREST**

**Councillor Fletcher declared an interest in relation to the following item of business by virtue of being a member of Amnesty International. Councillor Fletcher did not consider that the nature of his interest required him to leave the meeting.**

## **CORRESPONDENCE FROM AMNESTY INTERNATIONAL ABERDEEN (SCOTLAND) GROUP - DAW AUNG SAN SUU KYI**

**20.** The Council had before it correspondence from the Amnesty International Aberdeen (Scotland) Group which requested the Council to consider honouring the Burmese National League for Democracy leader, Daw Aung San Suu Kyi, by having a jasmine, her favourite flower, planted in her name in one of the city's parks together with a small explanatory plaque.

**The Council resolved:-**  
to agree to the request.

## **QUESTIONS**

**21.** The Council had before it for consideration the following questions, of which due notice had been given in terms of Standing Order 20(2):-

### **Councillor Allan**

QUESTION -  
To the Convener of the Resources Management Committee

- (1) "Now that the Early Primary Partial Immersion (EPPI) project at Walker Road School has been stopped and the money for this project is now not ring fenced but in the general budget can I please be informed where this money is now being spent?"

ANSWER (by Councillor Kevin Stewart) -

- (1) The monies that have been used for this project will not be spent in future. This is part of the budget savings in the Council decision in February to limit former education ring-fenced monies for 2008/09.

**The Council resolved:-**  
to note the details.

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**Councillors McDonald and McCaig**

QUESTIONS -

To the Chief Executive

- (1) "In light of the comments from Frank Doran MP that the Council should have exercised greater diligence in signing the 3Rs contract with Icelandic funding can he advise how many representations were received by the Council from Mr Doran in this regard at the time the deal was signed off?"
- (2) "Has the Council received any notification from the Scottish or UK governments indicating their belief that Aberdeen City Council did not act diligently in its dealings with Landsbanki or NYOP over the 3Rs project?"
- (3) "When did it first become clear that Landsbanki were in serious financial difficulties, and did the Council receive any advance warning of the situation from the Treasury?"
- (4) "What checks were made by officers prior to the signing of the 3Rs agreement with NYOP to their suitability for the project and the financial stability of both NYOP and their financial backers Landsbanki?"
- (5) "What action has been taken by Council officers to ensure that the potential impact of the liquidation of Landsbanki on the Council's 3Rs project is minimised?"

ANSWERS (by the Chief Executive) -

- (1) Having checked with colleagues, I am not aware of any representations having been received.
- (2) We have received no such notifications.
- (3) It became clear on 6<sup>th</sup> October 2008 that Landsbanki and the other Icelandic banks were in serious financial difficulties. The Council did not receive any advance warning of the situation from the Treasury.
- (4) Significant due diligence was completed by the Council's external legal and financial advisers prior to sign off of the project in December 2007. The credit ratings from Fitch and Moody (the internationally recognised credit rating agency) did not highlight concerns that they would be unable to support a £120million project.
- (5) As soon as it was recognised that Landsbanki were in significant financial difficulties, meetings were immediately held with the Council's financial and legal advisers to the project and with NYOP (the consortium contracted to build and operate the 3Rs schools). As soon as contact was made with 'New' Landsbanki, they were also called to meetings with Council officials and our advisers.

The Council has been looking at a wide range of contingency plans, culminating in the latest update which appears on this agenda.

The Cabinet Secretary for Finance and Scottish Government officials have been kept regularly briefed.



**The Council resolved:-**

to note the details.

**MOTIONS****22.** Councillor Dean, pursuant to notice, moved:-

“That this Council instructs officers to enter into discussion with First Aberdeen with a view to achieving fare reductions to levels comparable with other areas of Scotland and the UK.”

**The Council resolved:-**

- (i) to agree that the motion be withdrawn as a result of positive discussions which Councillor Dean had had with First Aberdeen, which had resulted in some fare reductions which were to be introduced from 23<sup>rd</sup> November 2008; and
- (ii) to note Councillor Kiddie’s request that Councillor Dean raise the matter of all over branding on buses with First Aberdeen, which was a matter the Disability Advisory Group had been pursuing for some time.

**23.** Councillor Graham, pursuant to notice, moved:-

“That this Council agrees to consider alternative methods of maintaining amenity grassed areas including reviewing of cutting methods and increasing frequencies to ensure the areas are maintained in a satisfactory manner.”

**The Council resolved:-**

to refer the motion to the Resources Management Committee.

**24.** Councillor Graham, pursuant to notice, moved:-

“That this Council calls upon the Scottish Government to increase its 09/10 allocation of funding to Aberdeen City Council in order to prevent further cuts in services to the elderly, disabled and those less fortunate within Aberdeen. Furthermore, this Council administration honours their promise to the people of Aberdeen during the protest march back in April 2008 by instructing the Chief Executive to write to the Scottish Government demanding that Aberdeen City Council receives a fairer funding settlement consistent with the Scottish average. That the Leadership writes to all Aberdeen City

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constituency and North East list MSPs calling on them to support Aberdeen City Council's plea for a better funding settlement."

**The Council resolved:-**

to refer the motion to the Policy and Strategy Committee.

**25.** Councillor McDonald, pursuant to notice, moved:-

"Council notes with grave concern the practice of certain companies offering to secure high interest loans for people with debts, arrears and defaults in advance of Christmas.

Council notes that the groups targeted by such companies are often those least able to access loans, and consequently least able to afford them.

Council urges any individuals who are tempted by these offers to reject them and instead contact Grampian Credit Union.

Council further calls for the UK Government to urgently investigate the practices of these companies with a view to protecting vulnerable citizens and instructs officers to contact other local authorities, and the city's three MPs, to enlist their support."

**The Council resolved:-**

to refer the motion to the Policy and Strategy Committee.

**26.** Councillor McDonald, pursuant to notice, moved:-

"Council calls on the UK Government to guarantee the retention of the card account by Post Office Limited, particularly in light of the recent round of post office closures which have hit Aberdeen communities hard."

**The Council resolved:-**

to refer the motion to the Policy and Strategy Committee.

**27.** Councillor Greig, pursuant to notice, moved:-

"That this Council produces a report with options for refurbishing the existing public space CCTV network and that it seeks and requests government and other external funding for the upgrade of the system."

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**The Council resolved:-**

to agree that the report requested be submitted to the next meeting of the Resources Management Committee.

**28.** Councillors Greig and Cassie, pursuant to notice, moved:-

“That this Council urgently reviews the method and provision of support for community centre and community learning activity, produces a costed report on community centre and community learning staffing and funding and presents an option or options for voluntary management of community centres.”

**The Council resolved:-**

that the terms of the motion be approved.

**29.** Councillor Boulton, pursuant to notice, moved:-

“That this Council writes to Nicola Sturgeon MSP, Cabinet Secretary for Health and Wellbeing, asking her to reconsider her decision on free NHS prescriptions to all and the scrapping of car park charges at NHS hospitals.”

**The Council resolved:-**

to refer the motion to the Policy and Strategy Committee.

**EXEMPT INFORMATION**

**The Council resolved in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the press and public from the meeting during consideration of the following items of business so as to avoid disclosure of exempt information of the class described in paragraphs 4 (Article 30) and 6 (Articles 30, 31 and 32) of Schedule 7(A) to the Act.**

**MATTER OF URGENCY**

**Lord Provost Stephen intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973, that the following item be considered as a matter of urgency as the future of the organisation concerned depended on the report being considered immediately.**

## **DECLARATIONS OF INTERESTS**

**Councillor Yuill declared an interest in relation to the following item by reason of his employment by Cornerstone Limited and left the meeting prior to the Council's deliberations on the matter.**

**Councillors Crockett and Hunter declared interests as members of the Board of Governors of the Royal Aberdeen Workshops for the Blind and left the meeting prior to the Council's deliberations on the matter.**

## **GLENCRAFT - THE WAY FORWARD**

**30.** With reference to Article 2 of the minute of meeting of the Urgent Business Committee of 8<sup>th</sup> October 2008, the Council had before it a report by the Corporate Director for Strategic Leadership which advised of the principles and content of the Glencraft Business Plan and recommended a way forward.

In terms of Standing Order 10(2), the Council received a deputation from Anthony Pratt, Interim General Manager of Glencraft, and Adele Harris, Chief Executive of Cornerstone Limited. Mr Pratt emphasised the importance to the future operation of Glencraft of the Council approving the report's recommendations. Ms Harris explained that Cornerstone and Glencraft would work together to form a Social Enterprise Park, which would be on the basis of a social enterprise limited by guarantee, with Glencraft at the heart of it. Mr Pratt highlighted the achievements that Glencraft had made in recent years, which included a significantly reduced operating loss and it was hoped that the organisation would be in a position to break even by 2011/12, and would be able to maintain the current workforce by developing new sales channels, launching a new brand, purchasing new machinery and upgrading production techniques.

**During the course of the deputation the Council agreed to suspend Standing Order 10(5) to enable the deputation to conclude.**

Members then asked questions of the deputation. Mr Pratt and Ms Harris were thanked for their presentation and left the meeting to enable the Council to consider the report.

The report by the Corporate Director for Strategic Leadership reminded members that the Urgent Business Committee of 8<sup>th</sup> October 2008 had agreed to provide Glencraft with £70,000 funding, and to advance a further £27,000 pending the receipt of a viable business plan for Glencraft for consideration by the Council this day. The crux of the business plan was based on a social enterprise hub for Aberdeen, which would be a joint initiative between Glencraft and Cornerstone Limited. This collaborative project would establish a new facility for providing sustainable employment and training for people with disabilities. A restructured

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Glencraft would be at the heart of the project, continuing to provide supported employment but within a commercially focused environment.

The report stated that the Council's involvement would be to purchase Glencraft's existing premises and lease them back to the new social enterprise. This model would require no further revenue support from the Council for supported employment. It would also enable Glencraft to pay back the outstanding Council loans.

**The report recommended:-**

that the Council -

- (a) approve the final instalment of revenue funding of £27,000;
- (b) approve in principle the proposed new social enterprise hub; and
- (c) approve in principle the purchase and lease back of Glencraft's current premises subject to a detailed proposal and financial appraisal being submitted to the Resources Management Committee on 25<sup>th</sup> November 2008.

**The Council resolved:-**

to approve the recommendations.

## **DECLARATIONS OF INTEREST**

**Councillor Noble declared an interest in relation to the following item of business by virtue of his employment by Aberdeen Harbour Board and left the meeting. Councillor Allan declared an interest by virtue of her position as a member of Aberdeen Harbour Board but did not consider that the nature of her interest required her to leave the meeting.**

## **REMITTS FROM GUILDRY AND MORTIFICATION FUNDS BOARD OF 3<sup>rd</sup> NOVEMBER 2008**

**31.** The Council had before it Articles 3 and 4 of the minute of meeting of the Guildry and Mortification Funds Board of 3<sup>rd</sup> November 2008, wherein matters had been referred to the Council for approval.

Article 3 of the minute explained, in relation to a report by the Head of Resources Development and Delivery, that Aberdeen Harbour Board was proposing to undertake significant renewal of the old Torry Dock to meet new and changing needs of the operators in the North Sea by replacing parts of the dock that were built in the late 19<sup>th</sup> century and which were no longer deemed to be fit for purpose. The proposal required a realignment of the quayside by its extension eastwards into the harbour basin and onto land owned by Mortifications. It was confirmed that

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following negotiations with the Harbour Board's agents, it had been provisionally agreed that the site had a value of £9,000.

**The Guildry and Mortification Funds Board had resolved:-**

to recommend to the Council that the area of ground be sold to Aberdeen Harbour Board for £9,000.

Article 4 of the minute explained that it was proposed that the allowances paid to Burgesses of Guild, widows and widowers of Burgesses of Guild and children of Burgesses be increased by 4% rounded up to the nearest £10 for 2008/09.

**The Guildry and Mortification Funds Board had resolved:-**

to recommend that the following increases in annual allowances be approved by the Council with effect from 1<sup>st</sup> May 2008:-

<b>Guildry Fund Allowances</b>	<b>Present Allowances</b>	<b>Proposed Allowances</b>
Burgesses	£1,350	£1,400
Widows/Widowers of Burgesses	£1,350	£1,400
Children of Burgesses	£1,250	£1,300

**The Council resolved:-**

to approve the recommendations of the Guildry and Mortification Funds Board.

**MATTER OF URGENCY**

Lord Provost Stephen intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973, that the following item be considered as a matter of urgency as the immediate future of the 3Rs project depended on the report being considered immediately.

**DECLARATIONS OF INTEREST**

Councillor Fletcher declared an interest in relation to the following item by virtue of his position as Convener of the Council's Pensions Panel. Councillor Fletcher did not consider that the nature of his interest required him to leave the meeting. Councillors Crockett and Kiddie declared interests by virtue of their membership of the Council's Pensions Panel but did not consider that it was necessary to leave the meeting.

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### **3Rs PROJECT**

**32.** The Council had before it a report by the Corporate Director for Resources Management which advised of the funding issues pertaining to the 3Rs project as a result of the main funder, Landsbanki, having been put into receivership by the Icelandic Government.

The report (a) provided the background to the 3Rs project, which was based on the Council having entered into a Non-Profit Distributing Partnership with a consortium (NYOP) in December 2007, with Landsbanki as the senior funder to the consortium; (b) explained that the impact of the global financial crisis had been particularly severe on the Icelandic economy, with the three main banks in Iceland, including Landsbanki, in effect having been put into receivership; (c) advised that a 'New' Landsbanki had been established by the Icelandic Government, and discussed the associated implications of this for the Council and the 3Rs project; (d) informed that New Landsbanki had indicated that it believed that it was in the best interests of the project if the senior funding was refinanced and that it would lead the process, however it was unlikely that this would be achieved until February/March 2009, which meant that in order to minimise the impact on the project a form of bridging loan would be required until a refinancing deal was concluded; (e) provided an update on the impact these developments were having on the work on site; and (f) summarised a number of financing scenarios which had emerged, with the pros and cons of each, and stated that Council officers, in conjunction with financial and legal advisers, and Scottish Government senior officials, were currently assessing all of the options.

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

that the Council -

- (a) note the current position; and
- (b) agree that a meeting of the Urgent Business Committee be called, if appropriate, to consider any specific refinancing proposal that might emerge over the next two to three weeks.

The Council heard the Corporate Director for Resources Management provide an overview of the most up-to-date position, the various options and potential scenarios. The Council was advised that the situation was developing very quickly and that a decision was required more urgently than had been first indicated in the report's recommendations. Consequently, a meeting of the Urgent Business Committee was required to enable members to be given the full and most up-to-date information on which to make a decision.

#### **The Council resolved:-**

- (i) to note the current position (i) as updated by the Corporate Director for Resources Management; and
- (ii) to agree that a meeting of the Urgent Business Committee be held on the morning of 18<sup>th</sup> November 2008 to consider any specific refinancing proposal which might emerge.

**- PETER STEPHEN, Lord Provost.**