

FINANCE AND RESOURCES COMMITTEE

ABERDEEN, 11 March, 2010. - minute of meeting of the FINANCE AND RESOURCES COMMITTEE. Present:- Councillor Kevin Stewart, Convener; and Councillors Allan (substitute for Councillor Graham), Cassie, Cooney (substitute for Councillor Crockett until article 25) Corall (as substitute for Councillor Dean), Cormack, Crockett (from article 26), Dunbar, Farquharson, Kiddie, Laing, Leslie, McCaig, Robertson (substitute for Councillor Fletcher), Wendy Stuart (substitute for Councillor Yuill), and John West.

Also in attendance:- Councillor Donnelly (for article 13 only) and Jennifer Stewart (for article 29 only).

DETERMINATION OF EXEMPT ITEMS OF BUSINESS AND ADDITIONS TO AGENDA

1. The Convener proposed that the Committee consider two verbal reports on this day, both to be taken at a point in the meeting when the press and public were not in attendance, namely:- (1) an update from the Head of Legal and Democratic Services regarding the investigation into the leaking of the report on the St Nicholas House site; and (2) an update from the Director of Enterprise, Planning and Infrastructure on the current situation regarding the Townscape Heritage Initiative; and further proposed that the Committee consider those reports identified on the agenda as being for determination in private, with the press and public excluded.

The Committee resolved:-

- (i) to hear the verbal reports as the first two items of exempt business on this day; and
- (ii) in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973 to exclude the press and public from the meeting from article 33 so as to avoid disclosure of exempt information of the class described in the following paragraphs of Schedule 7(A) to the Act:- article 33 (paragraph 6), article 34 (paragraph 12), article 35 (paragraph 1), article 36 (paragraph 1), article 37 (paragraph 8), article 38 (paragraph 6), article 39 (paragraph 6) and article 40 (paragraphs 8 and 10).

MINUTE OF PREVIOUS MEETING

2. The Committee had before it the minute of its previous meeting of 28 January, 2010.

The Committee resolved:-

to approve the minute as a correct record.

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 1 October, 2009.

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 Director of Corporate Governance.

The Committee resolved:-

- (i) to note that a report would be submitted at its next meeting of 6 May, 2010 on item 3 (Summerhill Education Centre);
- (ii) to remove items 4 (Grove Lodge), 7 (Croft House Care Home – Future Use/Disposal) and 8 (Aberdon Care Home - Future Use/Disposal); and
- (iii) 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 Director of Corporate Governance.

The Committee resolved:-

to note that a report would be considered in relation to the only motion on the list (Councillor Jennifer Stewart – Hazlehead Gardens) at item 7.4 of the agenda (article 29 of this minute refers).

OFFICE OF CHIEF EXECUTIVE – BUDGET PERFORMANCE REPORT - OCE/10/005

6. With reference to article 7 of the minute of its previous meeting, the Committee had before it a report by the Chief Executive which provided information relating to the current year revenue budget performance to date for the Office of Chief Executive, and highlighted areas of risk and management action being taken in this regard.

Appended to the report was a monitoring statement which outlined the current revenue spend against budget as at the end of January, 2010 as a high level summary, which indicated an expected net saving of £81,000 (8.16%) across an overall budget of £946,000.

The report explained that the revenue budget for the Office of Chief Executive included provision for the Directorate and support team, the Civic Support team

(including the Lord Provost's secretariat, the Civic Administration Unit and the Town Sergeants), the Elections Unit and the Council's external and internal communications teams.

The report continued that the costs associated with the Civic Support team were recouped from the Common Good; and that the 2009/2010 budget for the Elections Unit included provision for the costs of the European Elections which took place in June 2009, and the General Election due to take place in the next three months.

The report advised that the budget outturn had been adjusted to reflect the actual spend and estimated reimbursement due for the European Election, and that in addition to this, some spend was being made in preparation for the General Election and the outturn would be adjusted when the date of the poll was announced.

The Committee resolved:-

- (i) to note the content of the report; and
- (ii) to request that officers continue to manage the budget actively, and to report back to this Committee on strategies as required for a positive outturn for 2009/10.

CORPORATE GOVERNANCE PERFORMANCE REPORT

7. With reference to article 7 of the minute of its meeting of 12 November, 2009, the Committee had before it a report by the Director of Corporate Governance which presented key performance and management information for the Corporate Governance Service.

The report detailed the Director's overview of progress since the aforementioned meeting, which focused on the key operational and performance issues in each section within the Service and provided a performance indicator balanced scorecard, which utilised a traffic light mechanism to indicate the status relating to each indicator, which in turn was supported by appendices with 'drill down' information for each indicator within the scorecard.

The Director made particular reference to a number of indicators including sickness absence, percentage of invoices paid within 30 calendar days, and percentage of staff appraised in a year, and intimated that although these indicators were below the corporate targets, they were moving in the right direction.

With reference to page 67 of the report (Human Resources) it was noted that a reference to voluntary service should have been recorded as voluntary severance.

With reference to page 89 of the report (percentage of calls answered within target time – Corporate Contact Centre), it was noted that within the narrative there was an explanation that advised that there had been a reduced capacity within the team to respond to customer calls. The Committee queried as to whether this was a temporary or permanent reduction in staff, and it was explained by officers that this reduction had only been temporary and that all vacancies had now been filled.

The Committee resolved:-

to note the information contained within the report.

CAPITAL BUDGET PROGRESS REPORT - CORPORATE GOVERNANCE SERVICE - CG/10/47

8. With reference to article 8 of the minute of its previous meeting, the Committee had before it a joint report by the City Chamberlain and the Director of Corporate Governance which 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.

Appendix A to the report outlined the Non Housing Capital Programme projects which related to this Committee, and provided for each:- (1) the total approved costs (from 2009/10 for rolling projects); (2) the previous year's projected spend; (3) the total budget for 2009/10; (4) spend as at 31 January, 2010; (5) commitments for 2009/10; (6) the forecast outturn for 2009/10; (7) future years' budget profiles for 2010/11, 2011/12 and 2012/13; (8) total forecast costs; and (9) the project forecast variants.

Comments on particular projects, where appropriate, were included in the narrative.

The Committee resolved:-

to note the content of the report in relation to the projects outlined at appendix A.

2009/10 REVENUE BUDGET MONITORING - CORPORATE GOVERNANCE SERVICE - CG/10/46

9. With reference to article 9 of the minute of its previous meeting, the Committee had before it the joint report by the City Chamberlain and the Director of Corporate Governance which provided information on the current year's revenue budget performance to date for the Corporate Governance Service; included a high level summary as at the end of January, 2010; and outlined whether or not there would be any cost pressures that were immediately identifiable from the expenditure incurred to date, and management action being taken in this regard.

The report advised that, overall, there was an anticipated saving of £1.312 million (5%) across an overall current aligned budget of £26.213 million, which reflected a favourable movement of £550,000 since the last report, after taking account of budget adjustments relating to procurement savings. The report continued that in broad terms, the net projected saving, comparing outturn to budget, reflected a favourable variance of £1.670 million on projected staffing savings across the Service.

The report explained that this would be offset by a prudent assessment of recoverable costs and recharges to the Housing Revenue Account and the General Services Capital Programme in respect of conveyancing work based on the level of recharges last year, and the downturn in activity in the current year for capital receipts.

Appended to the report was the Service report and associated notes.

The Committee resolved:-

- (i) to note the report and the information contained on management action and risk that was contained therein; and
- (ii) to instruct that officers continue to review budget performance and report on Service strategies as required to ensure a balanced budget.

HOUSEHOLD WASTE AND RECYCLING CONTAINERS POLICY – H&E/10/001

10. The Committee had under consideration, by way of a remit from the Housing and Environment Committee (article 26 of the minute of meeting of 16 February, 2010 refers), a request to consider the financial issues arising from the approval by that Committee of a Household Waste and Recycling Containers Policy, being a comprehensive document which set out for the first time what residents with individual wheeled refuse bins, kerbside recycling and the garden and food waste collections, could expect to receive from the Council and how the Council required these waste containers to be presented on collection days.

The Committee had before it a copy of the report prepared by the Director of Housing and Environment, which had annexed a copy of the proposed policy document and the relevant article from the minute of the meeting of 16 February, 2010. The request from the Housing and Environment Committee was that the Finance and Resources Committee consider the financial issues arising from the policy which were (1) a nominal loss of revenue associated with the change to the additional bins policy (however there would be no actual loss experienced in comparison with existing practice as no annual collection charge was currently levied); and (2) a nominal loss of revenue associated with the change to the replacement bins policy (however, again there would be no actual loss experienced in comparison with the existing practice, which was to replace bins free of charge).

The Committee resolved:-

that as regards the financial issues arising, the resolution of the Housing and Environment Committee regarding the Council's Household Waste and Recycling Containers Policy, be approved.

DECLARATIONS OF INTEREST

Councillor Kiddie declared an interest in the subject matter contained within the following article by virtue of his position as member of the Pensions Panel.

Councillors Allan, Cormack, McCaig and John West also declared interests by virtue of their membership of the Gomel Trust. Councillor John West declared an additional interest by virtue of being a board member of Aberdeen Citizens' Advice Aberdeen. None of the Councillors felt it was necessary to withdraw from the meeting during consideration of this item.

COMMON GOOD BUDGET – CG/10/033

11. With reference to article 5 of the minute of meeting of the Council of 11 February, 2010, the Committee had before it a report by the City Chamberlain which presented the draft Common Good Budget for 2010/2011, along with indicative budgets for 2011/12 and 2012/13.

The report before members indicated that in preparing the draft Common Good Budget, (1) the strategy approved by the Finance Monitoring Sub Committee of 24 August, 2004, had been applied; (2) that the calculation of an indicative cash balance using the Consumer Price Index (CPI), as part of the budget setting process, has been adopted as an underlying principle; (3) that included in the Common Good Budget for 2008/09 was a sum of £450,000 in respect of the Greenfern Development Site which would, although the fund has adequate monies to meet that expenditure, put pressure on the maintenance of the recommended minimum cash balances pending the recouping of that expenditure at the completion of the project; and (4) that for the purposes of the budget process, the CPI figure had been taken as 1.1% for 2010/11, 0.1% for 2011/12 and 0% for 2012/13 in accordance with forecast figures supplied by financial analysts. The report contained estimates of the cash balances that would be required to maintain the value of the fund over the period 2011-2013. Also referred to in the report were (a) the criteria set down in 1976, following consideration at that time of a report on the origin, history and purposes to which the Common Good Fund may be used; (b) the fact that the prime purpose of the Council was to ensure that the Common Good was prudently conserved; and (c) the acceptance that any activity for which Aberdeen City Council or another public body had a statutory duty to support was excluded from receiving assistance from the Common Good Fund.

The report proceeded to present the draft budget for 2010/11 – 2012/13, in respect of which regard was had to input provided by external bodies supported by Common Good and the various officers responsible for the different expenditure and income lines. It was also indicated that, in the calculation of staff costs, no increase had been included; projections for interest rates had been received taking account of forecasts prepared by external financial analysts; and a number of broad assumptions, as listed in the report, had been made.

The report went on to confirm that the appendices annexed provided the following information:-

- Common Good Draft Revenue Budget 2010/11 (appendix 1);
- Analysis of Miscellaneous and General Income and Expenditure Headings (appendix 2);
- Donations, Grants, Contributions, Etc. (Line 4) (appendix 3);
- Other Projects (Line 17) (appendix 4);
- Variances 2009/10 Budget to Outturn – Recurring Items (appendix 5);
- Variances 2010/11 Budget to 2009/10 Budget – Recurring Items (appendix 6);
- Items to be referred to the Budget Process (appendix 7);
- Draft Common Good Revenue Budgets – 2010/11, 2011/12, 2012/13 (appendix 8);
- Aberdeen Citizens Advice Bureau (CAB) Pension Fund Deficit Funding Request (appendix 9);
- Aberdeen Safer Community Trust Funding Cut Impact Letter (appendix 10);

- St. Nicholas Carillion Report (contained within the exempt papers) (appendix 11); and
- Gomel Trust Balances and Committed Expenditure (appendix 12).

The report further confirmed that some of the information contained within the appendices had been made available in the members' library.

The report recommended:-

that the Committee:-

- (a) consider the detailed Common Good Budget for 2010/11, set out at appendix 1 and the forecast Cash Balances position;
- (b) approves a Common Good Budget taking into consideration:- (1) any proposals to amend the draft budget; (2) any decisions arising out of consideration of items referred to the budget process; (3) Council's approval of the General Fund Budget; and (4) the impact of the above on Cash Balances.

The Committee resolved:-

- (i) to approve the Common Good budget as set out within appendix 1 to the report subject to (1) the provision of £10,000 toward the Battle of Harlaw project; (2) the provision of £7,800 for the Gomel Trust (to be reviewed in future years); and (3) the provision of £15,000 toward refurbishment of the charity shop;
- (ii) to not approve the request from the CAB for additional monies in respect of pension contributions;
- (iii) to take no action as regards the proposal to reduce the CAB funding by five per cent;
- (iv) to retain the Carillion;
- (v) to take no action to reduce the level of funding for the Aberdeen Safer Community Trust;
- (vi) to seek a review of Council funding for all trusts, supported by the Common Good, in order to assess Best Value; and
- (vii) to request a report back in the near future, on the pension liabilities of the CAB and other organisations.

FORMER GARDEN SCHOOL, DYCE – EPI/10/080

12. The Committee had under consideration a report by the Director of Environment, Planning and Infrastructure which sought to advise of the decision taken by the Education, Culture and Sport Committee at its meeting of 18 February, 2010 (article 18 of the minute refers) to declare the former Carden School at Dyce, surplus to requirements and to remit their decision to this Committee to consider the future use or disposal of the site.

The report before members advised (1) that the school closed in 2002/03 after which the building was utilised for a variety of community and storage purposes; (2) that its current use in relation to the 3Rs Project would cease by the end of March, 2010; and (3) that because of recent damage caused by water penetration, any future use of the building would involve significant capital expenditure. The report contained an outline of the established procedure by which other Council services and partners were consulted on the availability of property; identified

alternative uses; and explained how the proximity of the site to the existing school campus at Dyce, would form part of any assessment carried out on a future use. The report concluded by confirming that a further report on the matter would be submitted to this Committee in due course.

The Committee resolved:-

- (i) that the availability of the property be circulated to Service departments and the North East Property Group;
- (ii) that failing the identification of any future public sector use, officers be authorised to undertake all other necessary investigations, including the negotiation of boundaries, with the Education, Culture and Sports Service with a view to exposing the site to the market; and
- (iii) that officers report back to a future meeting of the Committee on the outcome of the foregoing resolutions.

ANNUAL GRANT MAKING PROGRAMME 2010/11 – SCW/09/035

13. The Committee had under consideration, upon a remit from the meeting of the Social Care and Wellbeing Committee of 25 February, 2010 (article 10 of the minute refers), the matter of voluntary sector grants from the Social Care and Wellbeing budget and, in particular, the impact of making savings across that budget in line with decisions taken at the aforementioned meeting. Before the members was the decision of the Social Care and Wellbeing Committee to award the annual grant of £22,837 to the Aberdeen Council of Voluntary Organisations, which was provided through the Service budget for Corporate Governance, and so would be subject to the agreement of this Committee.

The Committee resolved:-

- (i) that the annual grant be approved; and
- (ii) to allocate the remainder of the budget to the Council reserves.

QUEENS DIAMOND JUBILEE – MOTION BY COUNCILLOR DONNELLY

14. With reference to article 14 of the minute of meeting of Council of 10 February, 2010, the Committee had before it a motion in the following terms by Councillor Donnelly:-

"This Council welcomes the Government's move to honour and celebrate The Queen's Diamond Jubilee in 2012 with a public holiday and weekend event, and calls on this Council to follow suit with a celebration in Aberdeen in recognition of The Queen's service to the people of the United Kingdom and Commonwealth and her 60 year leadership role within the international community of the free world".

The Committee heard Councillor Donnelly in support of his motion.

The Committee resolved:-

to request that a report on this motion be submitted to the Lord Provost Sub Committee, and that a further report detailing any financial implications be brought back to this Committee or the relevant Service Committee thereafter.

WESTERN PERIPHERAL ROUTE FUNDING – MOTION BY COUNCILLOR BOULTON

15. With reference to article 18 of the minute of meeting of Council of 10 February, 2010, the Committee had before it a motion in the following terms by Councillor Boulton:-

“Prior to confirmation of any additional financial contribution over and above the 9.5% of the current estimated £395m for the Aberdeen Western Peripheral Route is agreed, that the matter be referred back to Full Council for debate with an officer’s report outlining where the additional funding will come from and what the implications will be for the revenue budget and the potential knock on effect on all Services”.

The Convener explained that Councillor Boulton was not able to attend this meeting, and therefore in accordance with Standing Order 21(4) her motion would fall, and be considered at the next meeting.

The Committee resolved:-

to note that this motion would be submitted again at the next meeting of 6 May, 2010 for consideration.

DEMOLITION OF GREENFERN SCHOOL – MOTION BY COUNCILLOR IRONSIDE

16. With reference to article 18 of the minute of meeting of Council of 16 December, 2009, and article 11 of the minute of meeting of the Education, Culture and Sport Committee of 18 February, 2010, the Committee had before it a report by the Director of Education, Culture and Sport which requested that funding be provided in order for the Education, Culture and Sport Service to demolish Greenfern School.

At the aforementioned meeting of the Education, Culture and Sport Committee, members had considered a motion in the following terms by Councillor Ironside:-

“That this Council expedites its plans to demolish the old Greenfern School site which is currently a haven for vandalism and anti social behaviour causing the residents of the area great concern”.

The Committee considered a background report in relation to Councillor Ironside’s motion which had requested that the Committee:-

- (1) consider demolition of the former Greenfern Nursery/Infant School building and request associated funding from the Finance and Resources Committee;
- (2) consider retention of the cleared site at the Greenfern Nursery/Infant School for potential future development to provide Education, Culture and Sport Services; and
- (3) consider providing community facilities which may include activities currently delivered at Summerhill Centre.

The Education, Culture and Sport Committee had agreed the terms of Councillor Ironside’s motion; indicated their support of the options set out within the

background report; and referred the matter to this Committee in order to allow the financial aspects of the options to be considered.

The report recommended:-

that the Committee:-

- (a) approves funding of £92,000 from the 2010/11 Replacement and Renewal Budget to fund the contractor costs and professional fees required to carry out demolition of the former Greenfern School building (comprising £80,000 contractor costs plus £12,000 professional fees);
- (b) notes the proposal of the Education, Culture and Sport Committee to retain the cleared site on the Education, Culture and Sport Account; and
- (c) subject to the approval of recommendation (a), refers this matter back to the Education, Culture and Sport Committee in order for a final decision to be taken on the demolition of Greenfern School.

The Convener suggested that due to the unanimous support that this motion received at the Education, Culture and Sport Committee of 18 February, 2010, that the matter did not require to be referred back to the Education, Culture and Sport Committee, and that officers could proceed with demolition.

The Committee resolved:-

- (i) to approve recommendations (a) and (b) as contained within the report; and
- (ii) to instruct officers to proceed with the demolition of Greenfern School.

2009/10 COMMON GOOD BUDGET MONITORING UPDATE REPORT – CG/10/045

17. With reference to article 14 of the minute of its meeting of 10 December, 2009, the Committee had before it a report by the City Chamberlain which provided information on that actual income and expenditure of the Common Good Budget for the year to 31 January, 2010, and an updated outturn for the year, comparing this with the approved budget.

Appended to the report were (1) details of the approved budget for the Common Good for 2009/10, which showed that the estimated outturn for the year to 31 March, 2010 was net expenditure of £180,757, compared to a budget of £307,515 and the previously reported outturn of £289,037 which was a favourable movement of £126,758 compared budget to the current outturn; (2) supporting details in relation to 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 £5.367 million and explained that the Council had previously adopted an underlying principle that these balances should be no less than £4.544 million, after adjusting for the Greenfern development site as at 31 March, 2010, utilising the consumer price index (CPI) as a basis for calculating indicative cash balances.

The Committee resolved:-

- (i) to note the position as at 31 January, 2010 and the updated favourable estimated outturn for the Common Good; and

- (ii) to note the estimated cash balances of the Common Good as at 31 March, 2010 of £5.367 million based on this current forecast.

REVENUE BUDGET 2009/10 MONITORING REPORT – CG/10/055

18. With reference to article 14 of the minute of its previous meeting, the Committee had before it a report by the City Chamberlain which detailed the projected outturn and current financial position for the Council for the financial year 2009/10, and advised on the areas of risk and management action that had been highlighted by the Directors.

Appendix A to the report provided a summary on the overall Council projected position, which showed a favourable net position, before exceptional items of £5.535 million against the budget. This was a favourable movement of £3.090 million on the position last reported.

The report highlighted that the detail behind the favourable movement revealed improving financial projections across all Services, with savings being achieved from a range of budget headings and income generation also benefiting the position. The cost pressures resulting from the operational budgets was now estimated to be approximately £1.9 million, representing a variance from budget of 0.5%.

The report reminded members that at the aforementioned meeting it had been highlighted that work associated with the winter conditions had been calculated as an additional cost of approximately £0.5 million, and that further provision of £0.5 million had been built into the projects to take account of unknown but anticipated and potential road and winter maintenance costs. The report continued that since this, the actual spend had increased to approximately £0.8 million, and advised that if for any reason the expenditure had to increase beyond £1 million, then the Council contingencies would be able to absorb the costs, without affecting the overall projected outturn position.

The report advised that despite the improving position, overall, the pressure on the operational budget remained clearly visible, with underlying costs in Social Care, and reductions in income streams relating to planning and building application fees and sports centre activities. The Service forecast outturns reflected these pressures in the current economic climate. The report highlighted that short term and one off cost reductions could not address the underlying trends and provide sustainable solutions for the future.

The report further advised that the projected outturn figures reflected progress on achieving approved budget savings of £27 million, which were incorporated into the budget.

The report continued that it had been assumed that the corporate contingencies set aside in the budget would be fully utilised in the year, but the possibility remained that the contingencies would not be required, and therefore the potential for further improvement to the projected outturn figures remained. This figure could amount to more than £2 million.

The report further advised that an exceptional favourable item to the value of £5.997 million had arisen as a result of the repayment of VAT on claims assessed by Her Majesty's Revenue and Customs (HMRC) resulting from recent case law covering the areas of culture and leisure activities. The overall financial position allowed the allocation of this sum to be put towards the general fund reserves and balances, and in doing so, it was projected to increase uncommitted balances as of 31 March, 2010 to £20.316 million, representing 4.6% of the net 2009/10 revenue budget. The report further reminded members that a further sum of £7.6 million had already been earmarked in order to support the cost of exit costs for staff leaving. After taking account of this and the consent to borrow facility available in 2009/10, this would mean the Council had projected uncommitted balances at the year end of £16.316 million (3.7% of the net 2009/10 revenue budget).

As a direct result of the overall impact of the favourable projections, the general fund balance would benefit to the value of £11.532 million prior to the ear marking of sums.

The report then detailed the management actions being taken across and within Services currently to address the unfavourable operational budget positions, and outlined these as follows:-

- (a) vacancy management - the filling of all vacant posts was being scrutinised and authorised by the Corporate Management Team;
- (b) overtime was being reviewed and limited;
- (c) the use of agency staff was being reviewed;
- (d) discretionary expenditure on supplies and services was being minimised;
- (e) spend controls across all purchasing decisions were being tightened;
- (f) the Director for Social Care and Wellbeing would authorise and agree with the Head of Service any admissions for older people, those with a learning disability and children;
- (g) there would be no further increase in care packages this financial year;
- (h) there would be no recommendations for external placements of children and firm gate keeping arrangements maintained;
- (i) travel outside the city would be approved on an exceptional basis only;
- (j) 2010/11 budget savings proposals would be brought forward to 2009/10 wherever possible; and
- (k) the Head of Procurement would identify further opportunities for procurement savings that could be realised in the current year.

With reference to the Council's application to the Scottish Government, seeking consent to borrow for one off equal pay costs, the report advised that the Scottish Government had not provided any new consent to borrow, based upon the application submitted in November, 2009. However, recognising the significant value of payments that the Council may face for settling outstanding equal pay claims, it had allowed an extension to the current consent that the Council had in place, and has done so by removing the limitations that had previously been placed upon the consent. The consent to borrow would now run until 31 March, 2011. The report explained that whilst this did provide a positive outcome for the Council, it was not on the scale that had been hoped for. In the application made in 2008/09 the Council specifically highlighted certain groups of staff for which there was and had been equal pay liabilities settled. This resulted in a restriction being placed on the amount that could be borrowed. As a result of this latest development those restrictions in 2009/10 and going forward into 2010/11 had been removed and where the Council has settled a one off equal pay claim then this could count

towards the value that could be borrowed. The impact of this was that there was an increase in the value that could be borrowed by approximately £2 million and this in turn could be applied against costs incurred in the current year as well as in 2010/11.

The report concluded by summarising the net revenue position of the Council.

The Committee resolved:-

- (i) to note the content of the report and the implications of the projected figures on the general fund balance; and
- (ii) to instruct Directors to continue to take cost reduction opportunities during the remainder of the year in order to move the estimated position back in line with the approved budget.

NON HOUSING CAPITAL PROGRAMME 2009/10 – MONITORING REPORT – CG/10/051

19. With reference to article 15 of the minute of its previous meeting, the Committee had before it a report by the City Chamberlain which provided an update on the progress being made across all Services on projects within the Non Housing Capital Programme as at 31 January, 2010.

Appendix 1 to the report contained a financial statement which outlined the current position as at 31 January, 2010, and advised that the projects deemed to be of a “rolling” nature had been excluded from the prior year’s spend.

The report advised that the revised programme was now £92.772 million, prior to an allowance for the project variations and slippage which had been estimated to reduce the programme by £27.832 million; therefore, the total funded programme was currently £64.940 million, which indicated no change from when this was last reported.

The report continued that the total payments made as at 31 January, 2010 were approximately £36.811 million or 57% against the funded programme of £64.940 million which was broadly in line with the pattern of spend in previous years with the trend for payment to be principally in the later periods of the year. The report noted that whilst this figure was relatively low, it did not reflect other commitments (for example, those made through accepted tenders).

The report explained that factors outwith the control of the Council could result in project delays (for example delays in contractors beginning work on site which would contribute towards slippage and spending profiles). It was currently projected that the actual outturn would be £66.334 million, but to ensure that the overall programme remained within the funded level, a further £1.394 million of slippage required to be identified. Based on information from previous years and the low level of spend to date, it was anticipated that this level of slippage was achievable, but would require to be closely monitored by budget holders during the year, with details of projected spend being reported to both individual Service Committees and within the overall report to this Committee.

The report advised that a request had been received to alter the spend profile for Project 715, MTS – Berryden Road Improvements, from that approved at the Budget meeting of Council of 11 February, 2010 (budget line 715 within the minute refers). By way of background, the report continued that the former Resources Management Committee had requested that officers negotiate the purchase of a property affected by this road scheme, however, no agreement had been reached with the owner at that time (article 18 of the minute of meeting of 3 June, 2008 refers). The Enterprise, Planning and Infrastructure Committee of 26 November, 2009 agreed that officers progress the preferred option for the scheme to the detailed design stage (article 18 of the minute refers), and following this decision, the property owner had approached the Council with a request that the Council consider buying the property. As it had not been anticipated that land negotiations would be entered into at this stage, no allowance had been made in the Non Housing Capital Programme until 2011/12, it was therefore requested that funding of £200,000 be brought forward from 2011/12 to 2010/11 to allow negotiations with the owner to commence and the options for the purchase to be investigated. Whilst the intention would be to conclude the purchase during 2010/11, it was noted that various factors could influence the outcome, and that further updates would be provided to Committee as necessary.

Appended to the report at appendix 2 was the financial statement which detailed projects funded from the capital fund which indicated an unused balance of £0.827 million from the previous agreed £15 million of capital receipt held within the capital fund.

Appendix 3 to the report provided information on budget movements and revisions for the Non Housing Capital Budget since initially approved by Committee in May and June, 2009.

The report recommended:-

that the Committee -

- (a) note the current position on the Non Housing Capital Programme for 2009/2010 and future years;
- (b) approve the alteration of the spend profile for the Berryden Road Improvements Project (within Enterprise, Planning and Infrastructure) so as to bring forward funding to allow negotiations to commence for the purchase of property required to accommodate the scheme;
- (c) instruct the City Chamberlain to continue to update the Committee, in consultation with the Directors, on the overall position and projected outturn of the Non Housing Capital Programme; and
- (d) instruct the City Chamberlain to continue to update each Service Committee, in conjunction with the Director, on the Services' specific capital projects.

The Convener, seconded by Councillor McCaig moved:-
that the Committee approve the recommendations.

Councillor Allan, seconded by Councillor Laing, moved by an amendment:-
that the Committee approve recommendations (a), (c) and (d); and do not approve recommendation (b) as detailed within the report.

On a division, there voted:- for the motion (11) – the Convener; and Councillors Cormack, Corall, Dunbar, Farquharson, Kiddie, Leslie, McCaig, Robertson, Wendy Stuart and John West; for the amendment (4) – Councillors Allan, Cassie, Cooney and Laing.

The Committee resolved:-

to adopt the successful motion.

DECLARATIONS OF INTEREST

Councillor Leslie declared an interest in the subject matter of the following article by virtue of his position on the Board of Voluntary Service Aberdeen (VSA). Councillor Kiddie also declared an interest due to a close relative being a member of Acclamations. Neither Councillor felt it was necessary to withdraw from the meeting during consideration of the item.

APPLICATIONS FOR FINANCIAL ASSISTANCE 2009/10 – CG/10/50

20. With reference to article 17 of the minute of its meeting of 10 December, 2009, the Committee had before it a report by the City Chamberlain which presented applications for financial assistance from the following organisations:- (1) Voluntary Service Aberdeen (VSA) for a Young Carers event; (2) Alcoholics Anonymous for the annual Bon Accord gathering event; and (3) the Bon Accord Bowling Association for transport to the Meff Spence Trophy competition in Dundee.

The report advised that there was uncommitted budget remaining of £8,779 for adult grants in 2009/10 and that approval of the above requests could be met from this amount.

The Convener intimated that he would like the Committee to consider funding the entire cost of the Young Carers event, at £6,345 rather than only the value of the let of the Music Hall of £900, which had been requested in the application. The Convener continued that this would allow the organisation to invest any money that was raised at this event back into their projects.

With reference to both this item and the following article in this minute (Applications for the Equality of Opportunity Grants Scheme 2009/10), the Convener requested that an all encompassing system for grants and assistance awards be created in order to streamline this system, and the reporting of it.

The Committee resolved:-

- (i) to award £6,345 for the Young Carers event on 26 May, 2010 at the Music Hall;
- (ii) to award £800 for the Bon Accord gathering on 27-29 August at the Beach Ballroom;
- (iii) to award £400 for the Bon Accord Bowling Association – Meff Spence Trophy transport; and

- (iv) to instruct officers to bring forward a report detailing ways in which the grant application system can be streamlined especially with regard to reporting to Committee.

APPLICATIONS FOR THE EQUALITY OF OPPORTUNITY GRANTS SCHEME 2009/10 – CG/10/049

21. With reference to article 19 of the minute of its previous meeting, the Committee had before it a report by the Director of Corporate Governance which requested approval for funding requests from the Equality of Opportunity Grants budget 2009/10.

The report advised that the awards recommended for approval could be met from the Equality of Opportunity Grants budget for 2009/10 which included the Minority Grants budget of £19,500 and the Crèche budget of £3,000. The report continued that should the recommendations be approved, the revised balance for the remainder of the year would be £6,564 in the Minority Grants budget and £2,061 in the Crèche budget, giving an underspend of £8,625.

The Committee resolved:-
to award funding as follows:-

Group Name	Summary of Application	Decision
Portal Community Centre Ethnic Minority Women's Group	Towards the cost of exercising classes for ethnic minority women	£1,000
Terence Higgins Trust	Towards the cost of running the "Diversity Challenge" Programme	£560
"Lets Get Working" at Sunnybank Community Centre	Towards the cost of the project	£500
LGBT Film Society	Towards the cost of meeting to watch LGBT themed movie and discussion afterwards	£500

ZERO BASED BUDGETING – CG/10/052

22. The Committee had before it a report by the Director of Corporate Governance which requested that delegated powers be provided to the Director of Corporate Governance, the City Chamberlain, the Head of Legal and Democratic Services and the Head of Procurement in order to appoint a provider to assess the implementation of zero based budgeting principles across the Council.

The report explained that zero based budgeting was an approach to budgeting that would start from the premise that no costs or activities would be factored into the plans for the coming budget period just because they had figured in the costs or activities for the current or previous periods. Everything that would be included in the budget would have to be considered and justified, which would allow Services

to be developed at the right levels. The report continued that the key benefit would be that zero based budgeting would focus attention on the actual resources that were required in order to produce an output or outcome, rather than the percentage increase or decrease compared to the previous year.

The report advised that all public sector bodies within the UK had access to EU Procurement nationally compliant tendered contracts and frameworks for a broad spectrum of requirements through Buying Solutions (formerly Catalist), and that these frameworks offered efficiency by significantly reducing tender process timeframes and were commonly used throughout the public sector.

The report concluded that the framework agreement identified for utilisation was categorised as “finance” under Multi Disciplinary Consultancies and this particular framework provided for effective budgeting, strategic options analysis, resource allocation and strategy and programme management; there were ten firms listed under the framework and each would be provided with an opportunity to submit proposals. The report concluded that if this process was adopted a preferred bidder could be identified by the end of March, 2010.

The Committee resolved:-

- (i) to instruct officers to conduct a fast track mini competition through a national tendered framework agreement (Buying Solutions) in order to identify a provider to assist in the provision of zero based budgeting implementation;
- (ii) to delegate authority to the Director of Corporate Governance, City Chamberlain, Head of Legal and Democratic Services and the Head of Procurement to award the contract for this service to the preferred bidder, after consulting the Leadership Board; and
- (iii) to request that officers ensure that the successful consultants include the transfer of skills and knowledge to Council staff and elected members whilst undertaking the work, so that this approach can be undertaken in house in future years.

DECLARATION OF INTEREST

Councillor Farquharson declared a pecuniary interest in the subject matter of the following article, by virtue of being a shareholder in Total Gas and Power Limited. Councillor Farquharson withdrew from the meeting prior to this item being considered, and therefore took no part in any discussion on the matter.

ELECTRICITY AND GAS NATIONAL CONTRACT – CG/10/053

23. The Committee had before it a report by the Director of Corporate Governance which requested approval of the migration of the Council’s electricity and gas requirements to the Scottish Government’s national contracts, when the current Council agreement expired on 31 March, 2011.

By way of background the report advised that the national electricity and gas framework agreements realised the benefits of collaborative procurement for the

Scottish public bodies and Scottish Third Sector bodies. Throughout the procurement process, Procurement Scotland had worked with key stakeholders and suppliers in order to maximise the financial benefit, service delivery and robust contractual terms and conditions for all Scottish public bodies and Scottish Third Sector bodies that would utilise these frameworks.

The report continued that Procurement Scotland required a signed agency agreement and completed data templates at least six months in advance of the required start date on the contract by the Council. Given the nature of the forward market this would allow sufficient time for purchases to be made.

The report concluded that the national framework agreement for domestic fuel prices did not currently take account of the different tariffs that had historically applied in the former Scottish Hydro Regional Electricity area, specifically the Total Heat and Total Control tariff. Further information was required about the likely costs in 2011 for domestic electricity through the national framework, to determine whether the Council would achieve best value from procuring domestic electricity through this route or through tendering separately for the housing related electricity costs. Whichever approach was likely to give the Council the more competitive pricing structure, and so minimise the costs to the Housing Revenue Account, would be taken.

The Committee resolved:-

- (i) to approve the migration of the Council's electricity usage to the national framework agreement that had been awarded to Scottish Power for half hourly, unmetered and domestic sites;
- (ii) to approve the migration of the Council's electricity usage to the national framework agreement that had been awarded to Scottish and Southern Energy for non half hourly metered sites;
- (iii) to approve the migration of the Council's gas usage to the national contract awarded to Total Gas and Power Limited; and
- (iv) to request that the Corporate Management Team invite voluntary sector and charities within the city to join this scheme.

SEASONAL ENVIRONMENTAL STAFF – FURTHER BUDGET SAVINGS – H&E/10/07

24. With reference to article 4 of the minute of its meeting of 10 December, 2009 (budget line ENV1), the Committee had before it a report by the Director of Housing and Environment which proposed further budget savings against seasonal environmental staff, and requested approval to progress with this proposed additional saving. The saving proposed and accepted at the aforementioned meeting of this Committee amounted to £33,000.

The report advised that environmental staff job descriptions had been redesigned to allow them to be flexible and undertake a variety of roles within Environmental Services including street cleaning, grounds maintenance and graffiti removals. This allowed current Environment Operatives to undertake a variety of work including all seasonal gardening works.

The report proposed that by using approximately 40 current staff in the seasonal role, graded as G7, it was allowing for temporary staff on a lower grade G5, to be brought in on short term seasonal contracts to fulfil the street sweeping role, and that this shift of staff would allow for a further budget saving of £10,000.

The report recommended:-

that the Committee approve the steps being taken to achieve the additional £10,000 savings.

The Committee resolved:-

to approve the report for its interest and to refer it to the Housing and Environment Committee for its consideration.

THIRD TIER ILL HEALTH GRATUITY – DISCRETION UNDER THE LOCAL GOVERNMENT (DISCRETIONARY PAYMENTS AND INJURY BENEFITS) (SCOTLAND) AMENDMENT REGULATIONS 2009 – CG/10/056

25. The Committee had before it a report by the Director of Corporate Governance which requested that the Committee determine whether to exercise the Council's discretion to make provision for a one off limited lump sum payment to an employee, in circumstances where employment is terminated on grounds of ill health or infirmity of the body or mind, but the employee is not eligible to receive ill health retirement benefits. This payment was referred to as the Third Tier Ill Health Gratuity.

By way of background the report advised that the Third Tier Ill Health Gratuity was detailed within Regulation 49B of the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Amendments Regulations 2009, which was an amendment to the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998, and should be read alongside the Local Government Pension Scheme (Benefits, Membership, Contributions) (Scotland) Regulations 2008. The Regulation could apply only in cases where an employee had been an active member of the Local Government Pension Scheme for at least two years, so, should the Council decide to terminate employment on the grounds of ill health or infirmity of the mind or body and the employee in question was not entitled to ill health retirement benefits (if they were not permanently incapable of discharging the duties of their current post), the Council could make a discretionary grant - the Third Tier Ill Health Gratuity.

The report continued that the Council had the option to apply the discretion for the payment or not. If the Council chose to apply the payment, it would consist of a lump sum equal to one week's pay for every whole year of employment with the Council. The amount of gratuity could not exceed 30 weeks' pay and the amount of one week's pay would be equal to the annual rate of the employees pensionable pay on the day before employment would be terminated, divided by 52.

The report author suggested that due to the costs involved, the Third Tier ill Health Gratuity should not be applied. Further, it was felt that the provisions within the pension regulations of tiers one and two for ill health retirement cases already contained within the Local Government Pension Scheme regulations were generous and sufficient. A benchmarking exercise had been undertaken with other

local authorities, and seven out of the nine Councils that had been approached had confirmed that they would not intend to apply the policy, with the remaining two undecided.

The report proposed that should the Committee choose to not apply the Gratuity, that the policy statement should read as follows:- 'Aberdeen City Council has determined NOT to apply the discretion to make payment of a third tier III Health Gratuity provided in Regulation 49B of the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Amendment Regulations 2009'.

The report highlighted that should this course of action be agreed, any sickness absence cases falling under this category would continue to be treated under the Council's Managing Attendance Policy as capability dismissals on grounds of ill health, with the employee receiving pay in lieu of notice and any untaken holiday entitlement at termination. In this circumstance, the employee will have been deemed not to be permanently unfit for their current employment and able to undertake further employment at a point in the future.

The report concluded that comments had been received from the trades unions who were of the view that the gratuity should be applied.

The Committee resolved:-

- (i) to request that officers report back in much more detail in three months, in order for a final decision to be taken with regard to the Third Tier III Health Gratuity;
- (ii) to agree not to apply the Third Tier III Health Gratuity until the above report is brought back to this Committee for final decision; and
- (iii) to note that if there are any staff that would be detrimentally affected by this decision prior to the report coming forward, that Standing Orders could be suspended in order for specific cases to be considered on their own merits.

CORPORATE ASSET MANAGEMENT SYSTEM PROGRESS REPORT – CG/10/-

26. Reference was made to the meeting of the Audit and Risk Committee of 19 January, 2010 (article 10 of the minute refers) at which time it was decided in relation to the Corporate Asset Management System project, that the Director of Housing and Environment would report to each cycle of the relevant Committee to enable comprehensive scrutiny of the project. The Committee had under consideration a report by the Director of Corporate Governance which advised of current progress with the replacement of the current stand alone system with a corporate solution.

The report (a) contained certain background information in relation to the project; (b) highlighted the two major work streams for 2009/2010 as (1) movement of the system from one that is 'hosted' to one that is in house, realising a saving of £73,000 per annum; and (2) development of the Non Housing Property Module as a replacement for "Estateman"; (c) confirmed that the project was due to be completed by 1 April, 2010; and (d) provided, in a tabulated format, the key milestones and deliverables for the Non Housing Property Module. The report went on to advise with regard to project management, software installation, training, data cleansing and server memory setup and transfer. The report concluded with the

statement that whilst timescales were tight and the project remained on target for implementation by 1 April, an additional two week window in April had been built in to accommodate unforeseen delays.

The Committee resolved:-

- (i) that the Committee notes the progress made to date in replacing the existing stand alone systems with the corporate solution (Confirm); and
- (ii) that the Director of Corporate Governance be requested to report back on progress at every cycle, and for the reports to be presented in a format that is easily read and understood.

ABERDON HOUSE AND CROFT HOUSE – FUTURE USE/DISPOSAL – EPI/10/074

27. Reference was made to (1) articles 29 and 30 of the minute of meeting of this Committee of 17 September, 2009, at which time it was agreed to authorise the then Head of Resources Development and Delivery to pursue the possible transfer of the former Aberdon House Care Home in Tillydrone and the former Croft House Care Home in Stockethill to the Housing Revenue Account in order to facilitate the possible future use or development of the sites/buildings for affordable accommodation purposes or as temporary or interim accommodation for the homeless; and (2) article 8 of the minute of meeting of Council of 10 February, 2010, at which time there was under consideration and approved, following a reference from the Housing and Environment Committee meeting on 11 January, 2010 (article 18 of the minute refers) under Standing Order 36(3), a decision on the future use of Aberdon House as a temporary accommodation unit for an initial period of two years for persons who were homeless. The Committee now had before it a report by the Director of Enterprise, Planning and Infrastructure which sought to update members with regard to the situation of both properties.

The report before members contained an outline of the process followed in declaring the two properties, Aberdon House and Croft House, surplus to Council requirements and as regards the subsequent interests expressed in the future use of the sites; highlighted that the Director of Housing and Environment had since indicated that the properties be transferred to the Housing Revenue Account at a total value of £1,250,000 (being £700,000 in respect of Croft House and £550,000 in respect of Aberdon House), being a reflection of current market values as advised by the Council's external property contractors; and explained that whereas it was intended that Croft House be demolished and the site redeveloped as new build affordable housing, in the case of Aberdon House it was intended that the building be brought up to Housing in Multiple Occupation Standard to facilitate its use for an initial period of two years as a temporary accommodation unit for the Homelessness Service, before also being demolished and the site redeveloped with affordable housing.

At this stage in the meeting, the Convener drew attention to revised recommendations which had been circulated and which took account of the fact that, to date, the Housing and Environment Committee had yet to formally agree to the transfer of Croft House to the Housing Revenue Account.

Questions were put to officers regarding the valuation of Aberdon House, and the Asset Manager (Non Housing) confirmed that the property had been valued by Rydens, the Council's external advisers, in the last three months as a site for demolition. The valuation was based on market value, and this represented best value for both the General Services Account and the Housing Revenue Account.

The Committee resolved:-

- (i) that the Head of Finance be instructed to conclude the transfer of Aberdon House from the General Services Account to the Housing Revenue Account, including the obtaining of Scottish Ministerial approval under section 74 of the Local Government (Scotland) Act 1973, if necessary;
- (ii) that the Head of Finance also be instructed, subject to approval of that course of action by the Housing and Environment Committee, to conclude the transfer of Croft House from the General Services Account to the Housing Revenue Account, including the obtaining of Scottish Ministerial approval under Section 74 of the Local Government (Scotland) Act 1973, if necessary; and
- (iii) that the resolution under (ii) hereof be referred to the Housing and Environment Committee meeting on 13 April, 2010, for consideration.

GROVE LODGE, MUGIEMOSS – FUTURE USE – EPI/10/049

Reference was made to article 23 of the minute of its meeting of 28 January, 2010, at which time it was agreed that Grove Lodge, Mugiemooss Road, Aberdeen be declared surplus to Council requirements and that it be remitted to the then Head of Resources Development and Delivery to advise other Council Services of the availability of the property and to report any interest expressed to a future meeting. The Committee now had under consideration a report by the Director of Enterprise, Planning and Infrastructure which advised of an expression of interest in the property by the Social Care and Wellbeing Service.

The Convener then advised that he had been made aware by officers that the interest expressed had since been withdrawn.

The Committee resolved:-

- (i) that the Head of Asset Management and Operations be authorised to market the property at Grove Lodge for sale on the open market subject to the Head of Legal and Democratic Services confirming that there are no legal impediments to such a course of action; and
- (ii) that a further report be prepared in due course advising the Committee of the outcome of the marketing exercise.

HAZLEHEAD RESIDENTIAL AREA – SALE OR LEASE OF AMENITY AREAS – EPI/10/050

28. Reference was made to article 12 of the minute of meeting of the former Policy and Strategy Committee of 29 April, 2008, at which time there was under consideration a motion by Councillor Jennifer Stewart requesting that the Council consult residents of the Hazlehead Area (defined as being Hazlehead Road,

Hazlehead Gardens, Hazlehead Terrace, Hazlehead Crescent, Hazlehead Place and Provost Graham Avenue) regarding the possibility that Council owned amenity land situated adjacent to their homes could be acquired or leased as individual defensible garden space. The decision of the Committee at that time was to agree that the Council consult occupiers in the streets identified and that a report thereon, which would also contain officers' findings in respect of the matter, be prepared. The Committee now had before it a report in the name of the Director of Enterprise, Planning and Infrastructure which sought to discuss the implications of the motion and to highlight the many practical and policy difficulties of such a course of action.

The report at the outset advised that in a spirit of completeness, the two remaining streets within the residential area in question (Mortimer Drive and Mortimer Place), had been included in the consideration; and that the initial findings of officers had identified a number of implications for the Council in pursuing the terms of the motion. In particular the report identified the implications for existing planning policies related to residential areas and urban green space; for completed and committed housing improvement works; for adopted and unadopted footways; for former Council owned properties now sold and the title terms and conditions transferred; for tenants rights; and for ground maintenance procedures.

By way of illustration of the many problems that would arise, the report (1) described the nature of the residential scheme at Hazlehead which because of its location on the edge of Hazlehead Park, had been designed within an open plan layout and with large grassy amenity areas containing trees and shrubs; (2) explained how the mainly terraced dwellings were accessed from the internal service roads by a network of footpaths which run parallel or close to the buildings in such a way as none of the houses have exclusive garden ground immediately adjacent; and (3) explained also how the terraced housing was designed to 'wrap around' pocket amenity areas at the front or rear with further desire line footpaths created. Within an appendix to the report it was demonstrated how many former Council houses had been sold under tenants' right to buy legislation. The major part of the report discussed the practical and policy implications identified by officers, which it was felt should be borne in mind by the Committee in its consideration of the motion.

In dealing with the observations submitted by local members and by way of a response to the concerns expressed by officers that it would not be prudent to enter into detailed consultations with residents on the options of sale or lease in the absence of indicative costs, Councillor Jennifer Stewart had suggested that the matter be progressed by means of an initial letter and questionnaire in order to gauge the level of interest and as a result of which officers may be able to calculate a 'ballpark' figure in respect of the likely costs involved. The report also made reference to the existing policy adopted by the Council for the sale of small areas of amenity land which considers such applications on an individual basis and suggested that the policy should continue to apply to any residents in the Hazlehead scheme and that it should be made clear that, in a large number of cases, proposals for gardens would be unlikely to accord with those guidelines.

In response to a question, Mr Leonard estimated that the cost of the survey would be £1,500.

The report recommended:-

- (a) that the Committee agree to an initial survey being conducted by the Housing and Environmental Service with the local residents by means of an explanatory letter and questionnaire in order to gauge the level of interest in the scheme and that a further report be submitted to this Committee in due course containing the results of the survey and any other detail on the financing of such a scheme; and
- (b) that in the meantime the existing Council policy for the sale of amenity ground continue to apply to individual applications from residents.

At this point the Committee heard Councillor Jennifer Stewart who addressed the members in support of the report recommendations.

The Convener moved, seconded by Councillor Dunbar:-

that on the clear understanding that no decision had been reached regarding the possible sale or lease of areas of amenity land at Hazlehead, the report recommendations be approved and appropriate officers authorised accordingly.

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

that in view of the practical, legal, financial and policy implications that would arise and which were identified within the report, no further action be taken on the matter.

On a division between the motion and the amendment, there voted:- for the motion (12) – the Convener; and Councillors Corall, Cormack, Dunbar, Farquharson, Kiddie, Leslie, McCaig, Robertson, Jennifer Stewart, Wendy Stuart and John West; for the amendment (4) – Councillors Allan, Cassie, Crockett and Laing.

The Committee resolved:-

that the successful motion be adopted.

DECLARATION OF INTEREST

The Convener declared an interest in the subject matter of the following article by virtue of his position as Chairperson of NESTRANS. The Convener did not feel it was necessary to withdraw from the meeting during consideration of this item.

FRAMEWORK AGREEMENT FOR CONSULTANCY SERVICES FOR TRANSPORTATION AND ENVIRONMENTAL RELATED PROFESSIONAL SERVICES – EPI/10/072

29. With reference to article 40 of the minute of meeting of the former Resources Management Committee of 10 March 2009, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which requested approval to award places on the framework agreement for consultancy services for transportation and environmental related professional services to consultants, as outlined within the report.

By way of background the report advised that the Council, along with Aberdeenshire Council and in conjunction with NESTRANS, had an existing framework agreement with consultants to undertake the provision of these services until the end of March, 2010. This new framework agreement would start in April, 2010 and run for a period of three years with an option to extend the contract for a further two years.

The report continued that the purpose of this framework agreement was to augment the Council's and NESTRANS' in house professional service capabilities and expertise, to cope with increases and peaks in workload, and retain flexibility of resources and ensure best value in the use of such external resources as and when required.

The report explained that the new framework agreement had been split into six separate packages, which had been developed by identifying particular elements of works that could be grouped together based on the Council's project requirements and consultants' areas of expertise. The six packages were outlined as follows:-

1. Policy Support and Development (including travel planning, active travel, surveys, data collection and analysis, public transport planning);
2. Strategic Planning (including transport modelling, feasibility studies, environmental studies and development management);
3. Design and Delivery (including traffic management, road safety, parking zones, footways, junction layouts etc.);
4. Traffic Signals and IT Solutions (a specialist commission for the design and coordination of traffic signal networks and linkage to real time and other public information systems);
5. Public Transport Support and Development (including strategy and policy development, fares and ticketing and infrastructure feasibility studies); and
6. Technical Advice on Waste Management (including landfill management and waste strategy appraisals).

The report continued to outline the tendering process to date and concluded that subject to the approval by all three authorities, a formal letter of confirmation would be sent out to the successful consultants who would be awarded a place in the framework agreement. A legally required ten day standstill period would follow where unsuccessful bidders could challenge the outcome of the selection process. The successful consultants would be commissioned to provide the appropriate professional services and support, as necessary, to this Council, Aberdeenshire Council and NESTRANS, by calling off under the framework agreement.

The Committee resolved:-

- (i) to note the content of the report concerning the process of setting up the framework agreement; and
- (ii) to approve that a place in the framework agreement be awarded for the six packages of work as follows:-
 - Policy Support and Development – SIAS Limited and AECOM Limited;
 - Strategic Planning – SIAS Limited and AECOM Limited;
 - Design and Delivery – Jacobs Engineering UK Limited and AECOM Limited;

- Traffic Signals and IT Solutions – AECOM Limited and Halcrow Group Limited;
- Public Transport Support and Development – Jacobs Engineering UK Limited and MVA Consultancy Limited; and
- Technical Advice on Waste Management – Halcrow Group Limited.

DECLARATIONS OF INTEREST

Councillors Crockett and John West declared interests in the subject matter of the following article by virtue of their positions on the Citizens' Advice Bureau Board of Directors. Neither Councillor felt it was necessary to withdraw from the meeting throughout discussion of the matter.

DEBT COUNSELLING – ALTERNATIVE SAVINGS – UPDATE REPORT

30. With reference to article 2 of the minute of its previous meeting, the Committee had before it a report by the Director of Housing and Environment which provided information on the funding provided by the Council to Aberdeen Citizens' Advice Bureau (CAB) and information regarding the progress of a Service Level Agreement between both parties, as requested at the aforementioned meeting. It was noted that a replacement report had been circulated prior to the meeting.

At the previous meeting of this Committee, it had been agreed to make savings through both the merger of the Council's debt advice team with the Council's welfare rights team, and retain £70,000 of Scottish Government funding for the Debt Advice Scheme allocation currently provided to Aberdeen Citizens' Advice Bureau, pending the organisation's employment of a registered Debt Advice Scheme approved money adviser. Since this time, officers had since been advised that there had never been any agreement in writing between the Council and the CAB that the CAB should appoint a Debt Advice Scheme approved money adviser, and that it was not the understanding of the CAB that there was any such requirement. Since this issue had been highlighted, the CAB had taken immediate steps to ensure the employment of one Debt Advice Scheme approved money adviser, and had another officer working towards this accreditation.

The report outlined that the CAB were concerned that the information presented at the previous meeting had inferred that the money provided to them was being utilised inappropriately. Officers advised that this was categorically not the case and that they now recognised that there were other, equally valid forms of complex advice and assistance outwith the Debt Advice Scheme, and that funding provided to the CAB for money advice was being utilised for these purposes.

The report reminded members that all funding for the provision of debt counselling and money advice in Aberdeen was shared between the Council and the CAB. The Council received an allocation of £151,000 for Enhanced Debt Advice in the GAE funding from the Scottish Government and this money was not ringfenced.

The most recent increase in the funding in 2005 was to enable each authority to have at least one additional approved money adviser for the Debt Arrangement Scheme. The report continued that Council funding for debt counselling and money advice was further split between the Trading Standards Service's debt counselling and money advice team and the CAB. The CAB received two different streams of funding from the Council:- (1) approximately £70,000 from the Trading Standards Service for Enhanced Money Advice (which it uses for this purpose); and (2) approximately £263,000 from the Common Good Fund, of which it used a small percentage of this on basic level money advice provided by volunteers with the support of paid staff as appropriate. Half of the £263,000 of Common Good Funding was allocated to property costs, rent, heating and lighting, telephones, office equipment, and computers; and the balance was allocated for (1) the employment of the Manager and Assistant Manager, both of whom in addition to their management functions also had specialist roles in relation to immigration and welfare rights; (2) a Volunteer Support Worker; (3) an Employment Worker; (4) computer support; and (5) administrative staff. The CAB dealt with all its own HR, caretaking, maintenance and accountancy requirements.

The report provided a breakdown of expenditure for 2009/10 for the CAB in which it was detailed that the CAB received funding of £120,000 from the Fairer Scotland Fund in order to deliver a community outreach service for money advice and income maximisation. This money was reserved for work with clients from specific regeneration areas of the city and could not be used for the CAB's mainstream money advice. The report continued that officers now accepted that although the current funding to the CAB for this financial year was £333,000, only £70,000 was used to fund enhanced money advice cases, and that lower level money advice was dealt with by volunteers.

The report then provided a breakdown of budget for debt advice 2009/10 by the Council and a comparison between the CAB and the Council's debt advice services. Appendix A to the report provided a detailed explanation as to why the CAB believed that any cut in funding would severely curtail their ability to provide a debt advice service.

The report continued that savings of £82,000 projected from a merger of the debt advice team and the welfare rights team had already been agreed (and outlined within appendix B). The report intimated that it was difficult to see how further savings could be made without the loss of front line debt counsellor posts, which would impact not only on clients but also on the CAB as Aberdeen's only major alternative provider of debt and money advice services.

In relation to the position of the outstanding Service Level Agreement between the Council and the CAB, the report advised that the Committee had been misinformed at the previous meeting regarding the position between the two parties, and that the CAB were actually awaiting further developments from the Council and had returned a draft Service Level Agreement to officers. The opportunity was taken at this point in the report to apologise to the CAB for implying that they had caused the delay with regards to the Agreement.

It was proposed that the Service Level Agreement would cover all of the funding streams from the Council to the CAB and would clearly define expected outputs. Officers had a preliminary and positive discussion with representatives of the CAB on this matter, and it was intended that much more detailed discussions would take

place once a decision on the future of debt advice funding was reached, with a view to establishing a Service Level Agreement as a matter of urgency.

The report continued that owing to the fact that the CAB now had one approved Debt Advice Scheme money advisor and another member of staff working towards this accreditation, it was now capable of providing a full range of money advice services. It was clear that the CAB and the Council's debt advice team provided complementary money advice services to clients, and that demand for these services was continuing to increase, most likely fuelled by the current economic situation.

The report proposed as a way forward, that officers engage with the CAB and other stakeholders such as the National Debt Line, the Consumer Credit Counselling Service, and the Debt Advice Foundation (national charitable organisations which provide free basic money advice services) to discuss options for debt advice service delivery and determine how existing funding for debt services, minus the £70,000 saving which required to be made, could be used to maximum benefit for clients. It was suggested that a report be submitted to the next meeting of this Committee which would contain recommendations on the future funding of money advice services and how the savings could be made.

The Director of Housing and Environment took this opportunity to formally apologise to the Citizens' Advice Bureau for the misleading information that had been presented at the last meeting of this Committee and admitted that the debate should not have been polarised around the Debt Advice Scheme, as a range of complex advice was being provided by the CAB that was not necessarily associated with this Scheme.

The Convener expressed his unhappiness at the situation and made a full apology to Zara Strange (Manager of the CAB, Aberdeen) and the CAB Board of Directors for the situation that had occurred at the last meeting, on behalf of the Council and this Committee.

At this juncture, the Committee agreed to suspend Standing Order 22(2) in order for the Committee to be able to revisit, in part, the decision taken at the previous meeting, to withhold the full amount of the £70,000 of funding previously allocated to the CAB.

The Committee resolved:-

- (i) to note that the report and information presented at the previous meeting of this Committee contained a number of inaccuracies regarding (1) funding from the Council and how appropriately it was being utilised by the CAB; (2) the level of debt advice the CAB were qualified to provide; (3) the cost effectiveness of the CAB's provision; and (4) the position regarding a Service Level Agreement;
- (ii) to note that the Director of Housing and Environment apologised unreservedly for the inaccurate information provided at the previous meeting;
- (iii) to note the information on funding streams from the Council to the CAB as detailed within the report;
- (iv) to instruct officers to consider how savings of £70,000 could be made in the provision of debt advice from the overall funding currently allocated to the Trading Standards service for this function, with the minimum impact on

- service users, and for this to be reported back at the next meeting on 6 May, 2010;
- (v) to instruct officers to engage in discussions with the CAB to establish a Service Level Agreement as a matter of urgency, with all future funding being associated with this;
 - (vi) to approve a payment of £7,000 as a transition amount in funding from the Trading Standards budget to the CAB, until a decision on future funding is made on 6 May, 2010, this being a pro rata sum based on the existing funding of £70,000 per annum; and
 - (vii) to instruct a report back to each meeting of this Committee on all matters detailed within the report and in particular until a Service Level Agreement is in place between the Council and the CAB.

CITY CHAMBERLAIN - TRIBUTE

31. At this juncture, the Convener took the opportunity to thank Susan Cooper, the City Chamberlain, who was attending her last meeting of this Committee in the event of a General Election being called for 6 May, for her honourable and diligent service throughout her many years working for the Council. He continued that her advice had always been welcomed and that she had gone to great efforts to assist the Council since its inception in 1996.

Councillors Crockett, Farquharson and Leslie, on behalf of their parties, and Councillor Cassie, each paid tribute to Ms Cooper's dedication, help and advice over the years.

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

MATTER OF URGENCY

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 verbal report be considered as a matter of urgency in order for the Committee to be kept informed of the most up to date position on the matter.

DECLARATION OF INTEREST

During discussion on the following item, Councillor Corall declared an interest by virtue of a close relative owning a business in the area being discussed. At this point Councillor Corall withdrew from the meeting and took no further part in discussion.

TOWNSCAPE HERITAGE INITIATIVE - UPDATE

32. With reference to article 2 of this minute, the Committee heard the Director of Enterprise, Planning and Infrastructure who provided a detailed update on the progress of works in relation to the Townscape Heritage Initiative. By way of background it was noted that at the meeting of the Aberdeen City Centre Association of 9 March, 2010, concerns had been raised by local businesses particularly with regards to the access to their properties being impeded by the ongoing works. Mr McIntosh advised that he was first made of aware of problems in September, 2009 in relation to access issues regarding Union Square, and that it was at this stage it became apparent that the works were behind schedule. However Mr McIntosh advised that he had met with the Chief Executive of Leiths in early December and every month since and was confident that works were now progressing well. He further explained, in defence of accusations that the area had not been dealt with in the same efficient manner as Union Street when it was being repaved, that the cobbles required to be laid for three weeks before they settled and thus it was not the case that areas were being left inaccessible for a number of weeks without good reason.

The Committee resolved:-

- (i) to instruct officers to ensure that the Council is utilising every means to mitigate the loss of earnings to businesses in the area;
- (ii) to instruct that the Convener of this Committee, the Convener of the Enterprise, Planning and Infrastructure Committee, the Leader of the Council, and local members be provided with regular briefings on progress of the initiative;
- (iii) to note that a report would be submitted to the Enterprise, Planning and Infrastructure Committee at an early date; and
- (iv) to instruct that a verbal update be provided at every meeting of this Committee on the contractual and legal issues associated with this project.

MATTER OF URGENCY

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 verbal report be considered as a matter of urgency in order for the Committee to be kept informed of the most up to date position on the matter.

INVESTIGATION INTO LEAK OF ST NICHOLAS HOUSE SITE REPORT - UPDATE

33. With reference to article 2 of this minute and article 5 of the minute of its previous meeting, the Committee heard the Head of Legal and Democratic Services in her capacity as Monitoring Officer, who provided an update on the ongoing investigation into the leak of the report on the St Nicholas House site that had been presented to this Committee on 12 November, 2009 (article 35 of the minute refers).

The Monitoring Officer outlined the interviews that had been undertaken and advised that statements had been drafted and sent to members for signing Mrs MacEachran continued that no information had been forthcoming regarding the source of the leak.

The Committee resolved:-

to instruct that the members who had declined to be interviewed be requested to attend an interview with the Monitoring Officer at an early date, and for a report to be brought back to this Committee at the next meeting if these interviews are not undertaken.

COMMON GOOD – APPENDIX

34. With reference to article 11 of this minute, the Committee had before it a report containing details of the City Carillion.

The Committee resolved:-

to note that this matter had been dealt with under article 11 of this minute.

REDESIGN OF POST TO INFORMATION AND GRANTS ADMINISTRATOR – ECS/10/03

35. The Committee had under consideration, upon a remit from the meeting of the Education, Culture and Sport Committee of 18 February, 2010 (article 28), the decision of that Committee to approve the business case for the redesign of the permanent post of Dialogue Youth Clerical Assistant, to that of Information and Grants Administrator.

The minute extract before members indicated that the funding for the regrading of the post required to be referred to this Committee for approval, as it was met from the Community Planning and Regeneration budget, which was part of Corporate Governance.

The Committee resolved:-

to approve the necessary funding.

TRADING SERVICES MONITORING 2009/10 – CG/10/054

36. With reference to article 34 of the minute of its meeting of 10 December, 2009, the Committee had before it a report by the City Chamberlain which provided details of the current positions and the 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, 2010 showed an updated projection of an overall surplus for the significant range of activities in the order of £8.343 million and compared favourably with a budgeted surplus of £7.206 million and the previous forecast position of surplus £8.099 million;
- (ii) to note that the provision of full year results indicated that the financial objective for each significant trading activity, apart from grounds maintenance, would require to be achieved, before allowing for the effects of pension adjustments under the provisions of financial reporting standards number 17 (FRS17), the value of which is unknown at this time;
- (iii) to note that, whilst there was no statutory requirement for non significant trading activities to meet the value financial objective, an overall deficit of £1.010 million was currently forecast for the year within these activities; and that this forecast deficit was greater than budgeted and was before taking into account any adjustment for FRS17 pension; and
- (iv) to note that following a previous decision by this Committee (article 32 of the minute of meeting of 12 November, 2009 refers), a review of the Council's trading services is being undertaken and would be reported to this Committee at an early date.

ABERDEEN HEAT AND POWER – OVERDRAFT FACILITY – EPI/10/017

37. With reference to article 44 of the minute of meeting of the former Resources Management Committee of 25 November, 2008, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which advised members of the negotiations that had been undertaken with a particular bank regarding Aberdeen Heat and Power's overdraft facility, and requested support for an alternative approach to be taken.

The Committee resolved:-

- (i) to agree to the request by Aberdeen Heat and Power that the Council underwrites an overdraft facility for them for up to £250,000 for a period of three years, with the Cooperative bank, the Clydesdale Bank or HSBC; and
- (ii) to make this conditional on Aberdeen Heat and Power providing the Council's Head of Finance with monthly management accounts and cash flow statements, showing projected versus actual income and expenditure, so that the Council can track performance throughout the period that the underwritten overdraft facility is in place.

DECLARATION OF INTEREST

The Convener declared an interest in the subject matter of the following article by virtue of his membership on the NEM SITA Management Board. The Convener did not feel it was necessary to withdraw from the meeting during consideration of this item.

LANDFILL TAX CREDIT FUNDING 2010-2013 – EPI/10/073

38. With reference to article 14 of the minute of its meeting of 17 September, 2009, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which detailed the outcome of a selection exercise authorised at the aforementioned meeting of this Committee for the direction of landfill tax credit arising in the period from April, 2010 to March, 2013 from the disposal of Council waste in accordance with the requirements of the Landfill Communities Fund and the Waste Management Services contract.

The report provided three options in relation to the remaining 50% of the landfill tax credits arising from the landfill disposal of Aberdeen City Council waste, namely:-

- Option A: Approve direction of 50% of the available Landfill Tax Credits to Aberdeen Greenspace; make the appropriate Third Party Contribution for 2010/11; delegate authority to the Director of Enterprise, Planning and Infrastructure to review expenditure reports; and, if in line with the submitted Expenditure Plan, direct funding for 2011/12 and 2012/13;
- Option B: Approve direction of 50% of the available Landfill Tax Credits to Aberdeen Greenspace; make the appropriate Third Party Contribution for 2010/11 only; and instruct officers to meet with Aberdeen Greenspace to discuss options for further draw down of the unspent Landfill Tax Credits, with the result of these discussions being reported to committee with recommendations for funding for 2011/12 and 2012/13 subject to Committee approval; or
- Option C: Reject the application from Aberdeen Greenspace for funding in 2010/11 and instruct officers to seek funding opportunities for projects in Aberdeen with other environmental bodies for 50% of the available Landfill Tax Credits, and present a further report with revised recommendations to a future meeting of this Committee.

The report advised of two main areas of risk as follows. Firstly, the Council would need to ensure that funds awarded to successful applicants were spent in the appropriate manner. The Landfill Communities Fund was regulated on behalf of the UK Government by ENTRUST who undertake compliance auditing on an annual basis. Both Aberdeen Forward and Aberdeen Greenspace were Environmental Bodies registered and approved by ENTRUST with the long track record of satisfactory compliance. It was considered that the presence of the ENTRUST process mitigated compliance risk satisfactorily. Secondly, funds awarded required to be spent within a reasonable time scale on projects for the benefit of Aberdeen communities. ENTRUST guidance stated that Landfill Community Funds monies should be committed to a specific project within two years of receipt, and the Council expected this guidance to be followed. The application process required expenditure plans to be submitted and these would be assessed accordingly, and agreement to support an application would require the recipients to provide annual expenditure reports with subsequent funding contingent on the Council being satisfied that previous funds were being allocated timeously and appropriately.

By way of background the report advised that the tax on landfill waste had been introduced by the UK Government in 1996 as a means to reduce the amount of

landfill waste and to promote a shift to more environmentally sustainable methods of waste management. The Landfill Communities Fund, administered by HM Treasury, enabled operators of landfill sites to contribute tax credits to enrolled environmental bodies to carry out projects that met environmental objectives contained in the Landfill Tax Regulations. The Government saw the Landfill Communities Fund as a way for landfill operators and environmental bodies to work in partnership, to create significant environmental benefits and jobs, to promote sustainable waste management, and to undertake projects which would improve the lives of communities living near landfill sites. Full details of the funding categories were provided in appendix 1 to the report.

Landfill operators could contribute up to 6% of their landfill tax liability to environmental bodies, and reclaim 90% of this contribution as a tax credit. They may bear the remaining 10% themselves, or an independent third party could make up this 10% difference to the landfill operators. Under the Waste Management Service contract between the Council and SITA UK Limited, which commenced in September, 2000, there was a provision for the Council to require SITA, as its landfill operator, to direct landfill tax credits arising from the landfill disposal of waste collected by the Council or a sum equivalent to that value to environmental bodies of the Council's choice. In return for this direction, the Council would commit to pay the 10% third party contribution. Since the introduction of the Waste Management Services contract, the Council had provided 10% funding to SITA, who in turn had made equal tax credit payments to Aberdeen Forward Limited and Aberdeen Greenspace Limited. Most recently this had been authorised for the current financial year by the former Resources Management Committee of 10 March, 2009 (article 32 of the minute refers) wherein the Committee had also directed officers to prepare a report on the future funding mechanisms. The report before members today fulfilled that instruction.

The report outlined the criteria for assessment of applicants, and advised on both advantages and disadvantages to the three options put forward in relation to the funding of Aberdeen Greenspace Limited.

The report recommended:-

that the Committee –

- (a) authorise officers to direct the Waste Management Services contractor to award 50% of the Landfill Tax Credits arising from the landfill disposal of Council waste to Aberdeen Forward Limited for the period 1 April, 2010 to 31 March, 2011;
- (b) instruct officers to make the appropriate Third Party Contribution in favour of Aberdeen Forward Limited for the financial year 2010/11;
- (c) delegate authority to the Director to review expenditure reports and, if appropriate, direct 50% of the Landfill Tax Credits arising to Aberdeen Forward Limited for 2011/12 and 2012/13 and make the appropriate 10% Third Party Contribution; and
- (d) selects either Option A, B or C as detailed within the report in relation to the remaining 50% of the Landfill Tax Credits arising from the landfill disposal of Council waste.

The Convener, seconded by Councillor John West moved:-

that the Committee approve recommendations (a), (b), (c) and Option C in relation to recommendation (d) (to reject the application from Aberdeen Greenspace Limited for funding in 2010/11 and instruct officers to seek

funding opportunities for projects in Aberdeen with other environmental bodies for 50% of the available Landfill Tax Credits and present a further report with revised recommendations to a future meeting of this Committee); and request that this report also contain details of the implications for Aberdeen Greenspace Limited.

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

that the Committee approve recommendations (a), (b), (c) and Option B in relation to recommendation (d) (to approve the direction of 50% of the available Landfill Tax Credits to Aberdeen Greenspace Limited; make the appropriate Third Party Contribution for 2010/11 only; and instruct officers to meet with Aberdeen Greenspace to discuss options for further draw down of the unspent Landfill Tax Credits, with the result of these discussions being reported to committee with recommendations for funding for 2011/12 and 2012/13 subject to committee approval).

On a division, there voted:- for the motion (11) – the Convener; and Councillors Cassie, Cormack, Corall, Dunbar, Farquharson, Kiddie, Leslie, McCaig, John West and Wendy Stuart; for the amendment (3) – Councillors Allan, Crockett and Laing; absent from the division (1) – Councillor Robertson.

The Committee resolved:-

to adopt the successful motion.

FREDERICK STREET (FIRST AND SECOND FLOORS) – CG/10/043

39. The Committee had under consideration a report by the Director of Corporate Governance relative to the essential building works that required to be carried out at Frederick Street in order to provide, on the first floor, a Customer Contact Centre and, on the second floor, a Corporate Training Facility, tenders in respect of which were issued in December, 2009.

The report contained certain background information regarding the importance to the Council of customer access and training; the involvement of external consultants in the identification of the Council's needs in that regard; and the tender process undertaken. The detail of the tenders received were contained within the report.

The report recommended:-

that the Committee –

- (a) approve Chap Construction Limited as the preferred contractor for the building works required at Frederick Street in respect of a Customer Contact Centre (First Floor) and a Corporate Training Facility (Second Floor);
- (b) note that the costs for additional work, required as a result of the Council's decision not to utilise Frederick Street for the provision of its required data centre facilities, could be met from within the existing budget and were included within the base tender;
- (c) approve the acceptance of additional items over and above the base tender as specified within paragraphs 6.15 (change lift specification to evacuation type and form ramp to west entrance door) and 6.16 (replacement roof coverings) within the report; and

- (d) note that there are additional costs that form part of the development of Frederick Street (ICT hardware and software, furniture, etc.) which are separate to the building tender and can be delivered within the allocated budget.

The Committee resolved:-

- (i) that the report recommendations be approved and appropriate officers authorised accordingly;
- (ii) that it be remitted to the Director of Corporate Governance to prepare a report on the introduction of a quality/price basis for assessment and award of competitive tenders; and
- (iii) that training in respect of the tendering process (in particular the awarding of contracts on a quality/price basis) be made available to those members who wish it, as part of the training due to take place on the new procurement standing orders.

- COUNCILLOR KEVIN STEWART, Convener.