

FINANCE AND RESOURCES COMMITTEE

ABERDEEN, 11 May, 2010. - minute of meeting of the FINANCE AND RESOURCES COMMITTEE. Present:- Councillor Kevin Stewart, Convener; and Councillors Cassie, Cormack, Corall (substitute for Councillor Fletcher until article 38), Cooney (substitute for Councillor Laing), Crockett, Dean, Dunbar, Farquharson, Graham, Kiddie, Leslie, McCaig, John Stewart (substitute for Councillor Fletcher from article 28), John West and Yuill; also in attendance:- Councillor Boulton (for article 4 only).

DETERMINATION OF EXEMPT ITEMS OF BUSINESS AND ORDER OF AGENDA

1. The Convener proposed that Councillor Boulton's motion (item 3.1 of the agenda) be considered immediately after item 2.2 of the agenda (minute of meeting of the Corporate Health and Safety Committee of 25 November, 2009); advised that a request for deputation had been received from Sunnybank Park Steering Group in relation to item 8.2 of the agenda (St Machar Outdoor Centre); and further proposed, that should the Committee agree to hear this deputation, that this, and the corresponding report, be considered immediately after Councillor Boulton's motion. The Convener also intimated that items 6.11 (Additional Temporary Accommodation at Hazlehead School) and 10.3 (Town Centre Regeneration Fund – WiFi CCTV expansion to Mastrick, Rosemount, Cults and Peterculter) had been withdrawn from today's agenda.

The Committee resolved:-

- (i) to agree to hear the deputation from the Sunnybank Park Steering Group in relation to item 8.2 of the agenda (St Machar Outdoor Centre);
- (ii) to concur with the proposals of the Convener in respect of the order of agenda;
- (iii) to note that items 6.11 (Additional Temporary Accommodation at Hazlehead School) and 10.3 (Town Centre Regeneration Fund – WiFi CCTV expansion to Mastrick, Rosemount, Cults and Peterculter) of the agenda had been withdrawn; and
- (iv) 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 31 of this minute (item 9.1 of the agenda) so as to avoid disclosure of information of the class described in the following paragraphs of Schedule 7(A) to the Act:- article 31 (paragraph 8), article 32 (paragraphs 6, 8 and 9), article 33 (paragraphs 1, 6, 8 and 10), article 34 (paragraphs 8, 9 and 10), article 35 (paragraph 8), article 36 (paragraphs 4, 6, 8 and 9), article 37 (paragraph 6), article 38 (paragraph 6), article 39 (paragraph 9), article 40 (paragraph 9), article 41 (paragraphs 6 and 9), article 42 (paragraph 9), article 43 (paragraphs 6 and 9), article 44 (paragraphs 8 and 9), article 45 (paragraphs 6 and 9), article 46 (paragraphs 6 and 9), article 47 (paragraph 6) and article 48 (paragraph 12).

MINUTE OF PREVIOUS MEETING

2. The Committee had before it the minute of its previous meeting of 11 March, 2010.

The Committee resolved:-

to approve the minute as a correct record.

MINUTE OF MEETING OF THE CORPORATE HEALTH AND SAFETY COMMITTEE

3. The Committee had before it the minute of meeting of the Corporate Health and Safety Committee of 25 November, 2009.

The Committee resolved:-

to note the minute.

WESTERN PERIPHERAL ROUTE FUNDING – MOTION BY COUNCILLOR BOULTON

4. With reference to article 15 of the minute of its previous meeting, 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, it is agreed that the matter be referred back to full Council for debate, with an officers’ report outlining where the additional funding will come from and what the implications will be for the revenue budget and the potential knock on affect on all services”.

The Committee heard Councillor Boulton in support of her motion.

The Committee resolved:-

to note that, as has always been the case, reports relating to the Western Peripheral Route would always be considered by full Council.

ST MACHAR OUTDOOR CENTRE (EPI/10/137)

5. Reference was made to article 3 of the minute of its meeting of 12 November, 2009, when there was under consideration a report by the Director of Enterprise, Planning and Infrastructure which advised of the then current situation surrounding the future use of the St Machar Outdoor Centre on Sunnyside Road, Aberdeen, following the decision taken that the Centre be declared surplus to Council requirements, and also of the receipt of expressions of interest from third parties and a local community association, who felt strongly that the site should be retained for a community purpose. The resolution of the Committee at that meeting, among other things, included (1) a declaration of the Council’s intention to retain the Outdoor Centre under Council control for a period of six months during

which it would meet only revenue costs for essential health and safety work to the property; (2) an indication to the local community that during that six month period, the Council would look to all those parties which had indicated an interest in having the Centre retained for public use to come together in a single body and agree a clear development scheme for the use of the various parts of the site, including a full investigation of the availability of external funding to implement some or all of their ideas; and (3) an instruction to the Head of Service, if appropriate, to open without prejudice negotiations with the body formed with a view to fixing the terms and conditions of a management agreement or lease, on the basis that no capital or revenue costs would be met by the Council and to report further to the May meeting of the Committee. The Committee now had before it the further report requested, and also a request for a deputation on behalf of the recently formed Sunnybank Park Steering Group which wished to address the Committee in support of its case to be permitted to manage the Park (the former St Machar Outdoor Centre) under lease from the Council.

The request for a deputation having been agreed, the Convener invited the representatives of the Sunnybank Park Group to address the Committee. The representatives, being Emma Chapman (the spokesperson), Andrew Coventry and Abdul Latif, thereupon outlined to members the work that had been undertaken in putting together plans, conducting meetings and raising funds to create Sunnybank Park, all of which had culminated in the submission of a draft Business Plan to Council officers in March, 2010. The plan contained details of the initial surveys carried out, the subsequent meetings held with potential partners and funders, and a draft constitution. The spokesperson for the group then proceeded to advise with regard to more recent developments in the form of support provided by Greenspace Scotland (the Scottish Government advisory body on greenspace issues); as regards funding received and promised; and involving the completion of the initial survey of local support for the proposals drawn up.

The spokesperson concluded her presentation to the Committee with a request that the following recommendations be adopted and agreed by the Committee:-

- (I) that the Council retains liability for the grade B listed Firhill Well, which occupies part of the park area;
- (II) that the Council delegate authority to the Environment Manager to provide help in kind to the group in the ongoing management of the park and, in particular that the Council consider (a) that the Council has already saved over £50,000 each year by withdrawing all services from the site; (b) that the Group will be bringing in hundreds of thousands of pounds of investment; (c) that the Group will be stepping in to fill the gap in accessible open space and to provide services that the public sector traditionally would provide; and (d) that the Council already provides help in kind to support many community initiatives across Aberdeen and that the help being sought would simply involve a redistribution of community spending to include the park project; and
- (III) that in light of developments since the draft Business Plan was drawn up, a leasing agreement be concluded quickly in order that the funding secured is safeguarded and the risk of vandalism is kept to a minimum.

The Convener invited members to ask questions which were answered by the group representatives.

Members then considered the report before them which advised that the members of the group had contacted Council officers with the following outline proposals:-

- (a) that the Outdoor Centre be renamed "Sunnybank Park";
- (b) that the City Council grant the Sunnybank Park Group an initial five year lease of the property, at a rent of £1 per annum if asked; and
- (c) that members consider and approve the Sunnybank Park Group's Business Plan.

By way of background, the report indicated that the group comprised local people with a diverse range of organisational and practical skills, including running voluntary organisations, park management and allotments; that the group had been brought together by their enthusiasm for making a greenspace that the city could be proud of and which could act as a catalyst for community development locally and that the proposals contained within the Business Plan were based on the results of consultation with local people, the response from whom had been overwhelmingly positive.

In dealing with the content of the Business Plan, the report highlighted the following:-

- the Group would propose the creation of a number of new entrances to the park and also to create a new circular walk linking these access points, thereby encouraging people to use the park as a through route;
- that although it was understood that the former facilities at the Outdoor Centre cannot now be restored, the Group would like to improve the former tennis court area for sport and recreational use, particularly aimed at teenagers;
- that funding had been applied for to establish a food growing area for the local community, to include allotments, raised bed and group plots, in respect of which many people had expressed an interest;
- the desire to improve the area for wildlife and to plant a community orchard;
- the intention to restore the historic "gibberie wallie" and to enhance it by making a low maintenance formal garden out of the old bowling green;
- that a constructive partnership with the University of Aberdeen had been established and that the University had agreed to manage their land situated adjacent to Sunnybank Park, as a wildlife garden linked to the park;
- that the proposals contributed to a diverse range of local and national strategic policy outcomes, associated with greenspace, health, carbon reduction and biodiversity;
- that the strength of the proposals and the depth and range of potential benefits they could bring was demonstrated by the wide range and quality of the partnerships that have been established in a short time;
- that from the initial investigations conducted regarding potential funding sources, the Group were convinced that they can raise all the money required for their proposals from the Climate Challenge Fund and Aberdeen Greenspace; and
- a monitoring, evaluation and reporting framework for the project would be established to ensure that the work carried out is effective and the outcomes communicated to the relevant people.

The report concluded with a brief assessment of the planning and other implications of the proposals and a reference to the benefits and opportunities that would be created. The fact that the ground at Sunnybank, given the planning

designation of the site, had no commercial value was also highlighted within the report.

The report recommended:-

- (a) that the Committee approve in principle the grant of a five year lease of the St. Machar Outdoor Centre (to be renamed Sunnybank Park) to the Sunnybank Park Group on terms and conditions to be negotiated and agreed between the group and the Head of Asset Management and Operations, at a rent of £1 per annum if asked; and
- (b) that it be remitted to the Head of Legal and Democratic Services to formally conclude a lease on the basis outlined within the report and otherwise on terms and conditions necessary to protect the City Council's interests.

The Committee resolved:-

- (i) that subject to the exclusion of the Firhill Well from any lease arrangement (liability for the listed structure to remain with the Council) the report recommendations be approved; and
- (ii) to refer the request from the Sunnybank Park Steering Group regarding the delegation of authority to the Council's Environmental Manager to assist them with the ongoing management of the park, to the next meeting of the Housing and Environment Committee for consideration.

COMMITTEE BUSINESS STATEMENT

6. 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 remove items 6 (Trading Services), 7 (St Machar Outdoor Centre), 9 (11 Fonthill Terrace), 13 (School Transport Contracts), 17 (Granitehil Road), 20 (resolution (iv)) (CAB – Debt Counselling Services), and 29 (Annual Grant Making Programme) of the list;
- (ii) to hear an update from the Head of Legal and Democratic Services as the last item of business on this day, with the press and public not in attendance, in relation to item 10 (St Nicholas House Site – Leaked Report) of the list; and
- (iii) to otherwise note the updates as contained within the list.

MOTIONS LIST

7. The Committee had before it the outstanding motions list as prepared by the Director of Corporate Governance.

The Committee resolved:-

to note the updates as contained within the list.

DECLARATION OF INTEREST

Councillor Corall, having declared an interest in the report referred to in the following article, left the meeting prior to the Committee's deliberations thereon and took no part in the proceedings.

CONTRACTORS PERMIT SCHEME (EPI/10/097)

8. The Committee had under consideration, upon a referral from the Enterprise, Planning and Infrastructure Committee (article 32 of minute of meeting of 20 April, 2010 refers), the decision of that Committee to implement, for a one year trial period, a contractor's permit scheme in those areas of the city where controlled parking zones are in operation and, in particular, seeking the approval of the Finance and Resources Committee to the charging regime favoured which would involve a monthly payment of £50 or alternatively payment of £550 for a whole year. The report which was before the Enterprise, Planning and Infrastructure Committee and a copy of the relevant minuted article, had been circulated in relation to this item.

The Committee resolved:-

that the charging regime identified in respect of the proposal for a contractor's permit scheme, be approved.

GAS SAFETY MANAGEMENT – ACCESS FOR ANNUAL SAFETY CHECK (H&E/10/050)

9. The Committee had under consideration, upon a referral from the Housing and Environment Committee (article 24 of the minute of meeting of 13 April, 2010 refers), the decision of that Committee to agree to alter the process by which access to Council housing for the purpose of carrying out annual servicing and safety checks of gas supply equipment is arranged. The new process would involve the introduction of an administrative charge to be met by those tenants who fail to permit access until such time as the Council have incurred expense in relation to possible forced entry. The report which was before the Housing and Environment Committee and a draft of the relevant minuted article had been circulated to the Finance and Resources Committee, whose approval was required in respect of the financial implications involved.

The Committee resolved:-

to approve the introduction of an administrative charge as proposed by the Housing and Environment Committee.

CHILDREN WITH ADDITIONAL SUPPORT NEEDS (ECS/10/033)

10. The Committee had under consideration, upon a referral from the Education, Culture and Sport Committee (article 20 of the minute of meeting of 15 April, 2010 refers), a request to approve funding for an options appraisal by officers on the

redevelopment of the Cordyce School site, to include in addition to a replacement school, a specialist residential facility on a spend to save basis for children and young people with social, emotional and behaviour needs. The report which was before the Education, Culture and Sport Committee was again circulated to the Finance and Resources Committee, as was an appendix containing exempt information in relation to the matter. The Finance and Resources Committee were further advised that the Education, Culture and Sport Committee at its meeting on 15 April, 2010, had approved the report recommendations.

The Committee resolved:-

that the decision of the Education, Culture and Sport Committee in the matter be endorsed.

NEWHILLS ROAD IMPROVEMENTS - PHASE 2B PROJECT (EPI/10/093)

11. The Committee had under consideration, upon a referral from the Enterprise, Planning and Infrastructure Committee (article 30 of the minute of meeting of 20 April, 2010 refers), the report prepared by the Director advising of progress with the Newhills Road Improvements (Phase 2B) project and of the desirability of completing the scheme as revised and of the need for further finance, in the sum of £95,000, to achieve that completion. The resolution of the Enterprise, Planning and Infrastructure Committee, as contained within the minuted article from the aforementioned meeting, together with the Director's report, were before the members of the Finance and Resources Committee.

The Committee resolved:-

to agree (1) with the Enterprise, Planning and Infrastructure Committee regarding the desirability of completing the improvement scheme on the Newhills Road; and (2) that the additional expenditure required to take the project to completion (£95,000), be funded from slippage.

CAPITAL BUDGET PROGRESS REPORT (EPI/10/115)

12. The Committee had under consideration, upon a referral from the Enterprise, Planning and Infrastructure Committee (article 8 of the minute of meeting of 20 April, 2010 refers), a request to approve the proposed transfer from the Non Housing Capital Programme aligned to Enterprise, Planning and Infrastructure Services, of £2.5m from the Marischal College Project contingencies to the Roads Programme 2010/11 budget, the money to be used to repair the city's roads which have been badly damaged over the winter months as a result of adverse weather conditions. The report before the Enterprise, Planning and Infrastructure Committee advised that the monies referred to had become available as a result of financial prudence by the Service and a reduction in the projected overall spend for the Marischal College project.

The Committee resolved:-

that the transfer of funds as outlined within the report and agreed to by the Enterprise, Planning and Infrastructure Committee be approved.

OFFICE OF CHIEF EXECUTIVE – BUDGET PERFORMANCE REPORT - OCE/10/009

13. With reference to article 6 of the minute of its previous meeting, the Committee had before it a report by the Chief Executive which outlined information relating to the current year's 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 for the year end at 31 March, 2010 as a high level summary, which indicated an expected net saving of £185,000 (19.57%) across an overall budget of £946,000.

The report explained that the revenue budget for the Office of Chief Executive included provisions 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 June, 2009 European Elections, and for the costs of the General Election which took place on 6 May, 2010, and that in addition to this, some spend had been made in preparation for the General Election, and the outturn had been adjusted to allocate funds to the appropriate financial year.

The Committee resolved:-

- (i) to note the forecast outturn and the information on management action and risk that was detailed within the report;
- (ii) to instruct that officers continue to review budget performance and report on Service strategies; and
- (iii) to instruct officers to report, in due course, on the outturn compared to the budget, following completion of the 2009/10 financial statements.

2009/10 REVENUE BUDGET MONITORING - CORPORATE GOVERNANCE SERVICE - CG/10/075

14. With reference to article 9 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 information on the current year's revenue budget performance to date for the Corporate Governance Service; and included a high level summary as at the end of March, 2010. It was noted that the actual figures to date reported were before year end adjustments had been processed (such as accruals and the application of recharges), and therefore did not show the final position for the year.

The report advised that, overall, there was a net saving of £1.999 million (7.6%) across an overall current net budget of £26.223 million, which reflected a favourable movement of £687,000 since the last report.

The report explained that in broad terms, the net projected saving comparing outturn to budget, reflected a variance of £1.724 million on projected staffing savings across the Service. In addition, savings in other areas such as corporate training courses and the renegotiation of contracts had now been confirmed. This had been 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. In addition, there had been a requirement for additional external support in some areas.

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

The Committee resolved:-

- (i) to note the content of the report and the information on management action and risks that were contained therein;
- (ii) to instruct that officers continue to review budget performance and report on Service strategies as required to ensure a balanced budget; and
- (iii) to instruct officers to report, in due course, on the actual outturn compared to budget, following completion of the 2009/10 financial statements.

CAPITAL BUDGET PROGRESS REPORT - CORPORATE GOVERNANCE SERVICE - CG/10/076

15. 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 3 March, 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.

REVENUE BUDGET 2009/10 MONITORING REPORT – CG/10/085

16. With reference to article 18 of the minute of its previous meeting, the Committee had before it a report by the City Chamberlain which advised on the updated projected outturn and financial position for the Council for the financial year 2009/10.

Appendix A to the report provided a financial statement which highlighted a favourable net position, before exceptional items, of £3.383 million. This was an adverse movement of £2.152 million on the position last reported.

The report highlighted that the detail behind the adverse movement revealed relatively small changes across all Services, with increased costs and reduced income in some areas being offset by positive changes in other areas; the most significant being the removal of a separate provision for winter maintenance costs that had been built into the figures presented in the last report.

The report continued that included within the Enterprise, Planning and Infrastructure projections was the receipt of £0.177 million from Transport Scotland, which had been paid at the end of the financial year. This has been provided as part of £5 million released across Scotland to assist with pothole and road repairs following the severe winter weather conditions. As this had not yet been spent, it provided a favourable movement on the overall Council position; and in order to make use of this money in 2010/11, it was suggested that this sum be earmarked from the general fund balance as at the end of March, 2010.

Within the corporate budgets the substantial saving on capital financing costs was as a result of work undertaken by the Council's Treasury Advisors who identified that there was an opportunity linked to market conditions, to benefit from the rescheduling of a loan. That, linked with lower capital expenditure in 2008/09 than had been used to calculate the 2009/10 revenue budget, meant the Council could secure an overall £6.3 million favourable variance against these budgets in 2009/10. The report continued that there was further benefit to be derived by the Council from a better than expected loans pool rate in 2009/10 and changes to the profile of capital expenditure that meant a further saving of £1 million would be achieved on the cost of capital financing charges. This brought the total saving to over £7 million in 2009/10.

A favourable variance was included in the projections through the reversal of a provision that had been put in place at the end of 2008/09. The report explained that when closing the accounts last year, the Council took into account the fact that there was an outstanding assessment by HM Revenue and Customs in relation to a National Insurance query. Following correspondence, the matter had been recently resolved and the payment that had been made to HM Revenue and Customs was substantially lower than had been provided for. The outcome of this was that the balance, approximately £1 million, could be put back into the Council's general fund.

The report further advised that the Council had completed some preliminary work on its outstanding Equal Pay liabilities and as such, with figures having been calculated, and although they were subject to a multitude of factors, it was reasonable that these figures were incorporated into the Council's financial position for the year. This was in line with account practice and would require to be reviewed on a periodic basis to ensure that the provision remains appropriate to the circumstances of the Council. The report explained that the Equal Pay liabilities existed as a result of previously held terms and conditions, past decisions and circumstances of individuals.

The report continued that Council Tax had also been considered in more detail and the benefit of increased numbers of houses against which a charge would apply was evident. The mix and pattern of reliefs and discounts varied year on year, and this also resulted in the prediction of this value subject to change. The favourable variance was subject to a review of the bad debt provision as part of the year end work, and any change would be incorporated into the draft accounts for the year.

The projections for the corporate contingencies had been reduced by £0.909 million, leaving a balance which may be required as part of the year end.

The report concluded that the sum of £2 million had been retained in contingencies; and all final adjustments would be recorded in the Service or Corporate budgets as part of the year end and this would be reported to the meeting of Council of 30 June, 2010.

The report provided an update on the position with regards exceptional items, management actions, and consent to borrow (in relation to Equal Pay) that had occurred since the last report; and statements detailing (1) the summarised net revenue position; and (2) the summary position in relation to the general fund reserves and balances.

Further to discussion, the Corporate Accounting Manager undertook to provide Committee members with an explanation of the current liabilities associated with Equal Pay and Modernisation, and details of what the Council has set aside for this.

The Committee resolved:-

- (i) to note the content of the report and the implications of the projected figures on the general fund balance;
- (ii) to approve the earmarking from the general balances as at 31 March, 2010 and a sum of £117,000 received by the Council from Sports Scotland, for use in 2010/11;
- (iii) to note that the final outturn, following the preparation of the draft financial statements for 2009/10, would be presented to the meeting of Council of 30 June, 2010; and
- (iv) to note that the Corporate Accounting Manager would provide Committee members with an explanation of the current liabilities associated with Equal Pay and Modernisation, and details of what funds the Council has set aside for this.

NON HOUSING CAPITAL PROGRAMME 2009/10 – MONITORING REPORT – CG/10/068

17. With reference to article 19 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.

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

The report explained 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 the position reported at the aforementioned meeting.

The report continued that the total payments made as at 31 March, 2010 were approximately £49.703 million or 76% 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. It was noted that whilst this figure was relatively low, it did not reflect year end accruals and recharges which had still to be finalised.

The report explained that based on feedback received to date from budget holders, it was currently projected that the actual outturn would be £65.446 million, and to ensure that the overall programme remained within the funded level, a further £0.506 million of slippage was required to be identified.

The report noted that based on information from previous years, and the low spend to date, it was anticipated at this stage that the level of slippage was achievable, once all year end transactions were processed.

The report continued that the funding from the programme in future years, took account of slippage from the previous year being carried forward into the following year; and explained that in previous years, following the finalisation of the financial statements, an exercise had been undertaken by the Head of Finance, or equivalent, in consultation with Services to identify unspent budgets which required to be carried forward into the following year as part of the overall project capital costs. This had then been subject to committee approval, normally in September, prior to such carry forward budgets being available to spend. As this caused a degree of operational difficulty for Services in managing their budgets, the report suggested that the carry forward of any unspent budgets be approved within the overall project budget as deemed necessary by the Head of Finance, in consultation with the Directors.

Annexed to the report at appendix 2 was a financial statement which detailed projects funded from the capital fund which indicated an unused balance of £0.827 million from the previously 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 Committee resolved:-

- (i) to note the report on the current forecast outturn on the Non Housing Capital Programme for 2009/10 and projected budgets for future years;
- (ii) to instruct the Head of Finance to report in due course on the actual outturn following completion of the 2009/2010 financial statements; and
- (iii) to approve the carry forward of unspent budgets from 2009/10 and 2010/11 as deemed necessary by the Head of Finance in consultation with Directors following the completion of the 2009/10 financial statements; and to note that

such carry forward would remain within the overall level of budget previously improved and to be reported to Committee in due course.

2009/10 COMMON GOOD BUDGET - MONITORING REPORT – CG/10/073

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

Appended to the report were 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 income of £103,785, which compared favourably to a budgeted net deficit of £307,515; and further information in relation to the analysis of miscellaneous and general income and expenditure (appendix 2), donations, grants, contributions, etc. (appendix 3) and other projects (appendix 4).

The report concluded that this gave a projected cash balance as at 31 March, 2010 of £5.652 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 March, 2010 and the updated favourable estimated outturn for the Common Good;
- (ii) to note the estimated cash balances of the Common Good as at 31 March, 2010 of £5.652 million based on this current forecast; and
- (iii) to instruct officers to report, in due course, on the actual outturn compared to budget following completion of the 2009/10 financial statements.

2010/11 COMMON GOOD BUDGET – REQUEST BY CLAN FOR SUPPORT – CG/10/074

19. The Committee had before it a report by the City Chamberlain which provided details of a request by Cancer Link Aberdeen and North (CLAN) for £25,000 from the Common Good fund towards the £3 million cost of a new support centre and accommodation facility.

The report advised that the current projected balance of the Common Good was £5.288m. Projection for the cash balances for the next three years suggested that the cash balances would remain above the minimum required level, even if this assistance was granted.

Appended to the report were (a) the request from CLAN; (b) further information from CLAN on the £2.6m they had already raised; (c) an outline of the service provided by CLAN to cancer sufferers and their families, and details of the number of visitors in this regard; (d) details of how funds could be used towards a specific

facility in the centre, and such be named after an organisation to commemorate the support ; and (e) further details of sponsors already providing support for specific facilities.

The report recommended:-

that the Committee –

- (a) consider the funding request by CLAN for £25,000; and
- (b) consider, if funding is to be provided, whether or not it should be for a specific facility to be named to commemorate this.

The Committee resolved:-

to provide CLAN with £55,000 of funding, comprising £25,000 for sponsorship of a voluntary coordination room, and £30,000 for sponsorship of one disabled twin room.

TRADING SERVICES REVIEW – CG/10/070

20. With reference to article 32 of the minute of its meeting of 12 November, 2009, the Committee had before it a report by the Director of Corporate Governance which advised of the initial outcome of the ongoing Service reviews concerning the Council's Statutory Trading Services.

By way of background the report explained that formal accounts for Trading Services were required to be maintained under the Local Government (Scotland) Act 2003 and the associated Best Value Code of Practice 2007 (Scotland). This legislation provided local authorities with guidance on how to identify Trading Services, but allowed each Council the freedom to develop its own framework in doing so.

The Council had carried out a full review of Trading Services when the legislation had been introduced, and this had been reported to the Finance Monitoring Sub Committee on 9 March, 2004.

The report advised that the Council currently defined ten services to be of trading status, and therefore maintained Statutory Trading accounts. An initial review carried out by accountancy services suggested that this may be sustaining overly complex accounting and administrative relationships between former 'client' and 'contractor' services, as previously defined by the now repealed compulsory competitive tender (CCT) legislation.

The report suggested that services may now be sustaining these relationships simply due to habit rather than any legislative requirement or practical benefit. In some services, there may be justifiable reasons for continuing with the existing arrangements, whilst others may be utilising staff resources to sustain them, but with no real benefit to the Council. The report advised that each service should be considered on its own merits, and staff from accountancy services had conducted initial discussions with the Service management teams involved in this regard.

The review that had been undertaken to date had revealed that building cleaning services and catering (school and other) no longer required to be declared as statutory trading accounts as the other services were running on an actual cost basis.

The report explained that if the change in classification of the Council's catering (school and other) and building cleaning services, from statutory trading services to general services was approved, then the implementation would involve identifying new methods of demonstrating best value for catering and cleaning services. In the past the Council had relied heavily on the use of tendering exercises in the open market for demonstrating best value for its statutory trading services. An extensive range of alternatives for demonstrating best value in non trading services was available, and could include a variety of measures including environmental analysis, process analysis, benchmarking, market analysis, stakeholder analysis, peer review and challenge, development of service level agreements, stakeholder consultation, and elected member scrutiny and challenge. The report continued that the financial ledgers for catering and cleaning services could be sustained in their current format so that internal management accounts could be provided to the service managers involved, but remove the administrative requirement to declare them as 'trading'. This would simplify some of the Council's accountancy arrangements, by reducing the total number of trading services.

The report concluded by advising that the Council's remaining statutory trading services would be:

- building services
- ground services
- environmental services
- roads services
- fleet services
- property letting; and
- car parks

The current operational set up for each of these services indicated that statutory trading accounts must be sustained for the duration of the 2010/11 financial year, as their charges were not predominantly based on actual cost recoveries.

The Committee resolved:-

- (i) to approve the change in classification of the Council's catering (school and other) and building cleaning services, from Statutory Trading Services to General Services with effect from 1 April, 2010; and
- (ii) to instruct that future service redesign work takes into consideration the impact of maintaining Statutory Trading Accounts, and that this be reported back to the relevant committee.

**APPLICATIONS FOR THE EQUALITY OF OPPORTUNITY GRANT SCHEME
2010/11 – CG/10/077**

21. With reference to article 21 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 of Grants Budget 2010/11.

The report advised that the awards recommended for approval could be met from the Equality of Opportunity Grants Budget for 2010/11 which comprised the Minority Grants Budget of £19,500, and the Crèche Budget of £3,000; and explained that the revised balance for the remainder of the year would be £16,965 in the Minority Grants Budget, and £3,000 in the Crèche Budget; and provided further details of this in the appendix.

The report recommended:-

that the Committee approve Equality of Opportunity grants as follows:

- (a) £1115 to Challenge Dad
- (b) £930 to Challenge Mum; and
- (c) £490 to Hilton Older People's Group.

The Committee resolved:-

to defer these applications for funding until the conclusion of the review currently being undertaken on grants applications by the Director of Corporate Governance, was complete.

DECLARATION OF INTEREST

Councillor Yuill declared an interest in the subject matter of the following article by virtue of his membership of Aberdeen Chamber of Commerce. Councillor Yuill did not feel it was necessary to withdraw from the meeting during consideration of this item.

APPLICATIONS FOR FINANCIAL ASSISTANCE 2009/10 – CG/10/090

22. With reference to article 20 of the minute of its previous meeting, the Committee had before it a report by the City Chamberlain which presented applications for financial assistance from a number of partner organisations; and also membership and affiliation fees and grants for 2010/11.

The Committee resolved:-

to award funding as follows:

Organisation	Funding Awarded
Scottish Civic Trust	£700
Planning Exchange – ISLA Service	£22,103
Commonwealth Local Government Forum	£860
Scottish Local Government Forum Against Poverty	£2,100
The Poverty Alliance	£200
Centre for Scottish Public Policy	£250
The Chamber of Commerce	£2,377

Organisation	Funding Awarded
Scottish Churches Industrial Mission	£1,000
Stonewall	£1,762
Scout Groups within Aberdeen	£7,253 to contribute towards 75% of the annual rental payments.
Middlefield Community Flat	£575 to rebate the difference between commercial and non commercial rental levels.
Cummings Park Community Flat	£2,772 towards the rental cost
Scottish National Blood Transfusion Service	£500 to help towards the rental of their premises.

SCHOOL TRANSPORT CONTRACTS – CG/10/080

23. With reference to article 19 of the minute of its meeting of 10 December, 2009, the Committee had before it a report by the Director of Corporate Governance which detailed the outcome of the most recent tendering exercise for the school transport contracts across the city for 2010/11.

By way of background the report advised (1) that contracts for the provision of transport for school children were costed on the basis of mileage and journey time for uplift and return of pupils (as well as escorts where required); and (2) that the mileage and journey times for the contracts would change as the transport requirements alter, due to any changes in the number of pupils attending school year on year.

The report continued that preparation for these contract renewals were undertaken through the joint working of the Public Transport Unit and the Central Procurement Unit. The report explained (1) that the process of getting a new contract in place was timed in order to accommodate a start date of 1 April, 2010; and (2) that the value of the contracts required advertisement in the European Journal and related mandatory processes, which had been undertaken. In addition, advertisements appeared in both the Press and Journal and the Evening Express newspapers.

The report further explained that within Aberdeen there was a shortage of minibuses, high capacity/wheelchair accessible private hire and taxi cars. As such they were in greater demand, costed more to operate, and required a different licence in the case of minibuses. These issues had been factored into the pricing structure received by the customer. The larger providers who had these vehicles within their fleets would usually benefit from a limited marketplace with little genuine competition. Therefore it was imperative to proactively engage as widely as possible with the taxi community to encourage participation in competing for Council business.

The Acting Head of Planning and Policy for Services to Children undertook to provide committee members with an update of the current situation regarding the Garthdee school buses.

The Committee resolved:-

to note the content of the report.

DECLARATIONS OF INTEREST

Councillors Crockett, Leslie and John West declared interests in the subject matter of the following article by virtue of their membership of the International Youth Festival Board. None of the Councillors felt that it was necessary to withdraw from the meeting throughout discussion of this article.

MARY GARDEN OPERA FUND – ECS/10/043

24. With reference to article 24 of the minute of meeting of the former Resources Management Committee of 5 May, 2009, the Committee had before it a report by the Director of Education, Culture and Sport which provided details of Aberdeen International Youth Festival's proposal in relation to utilisation of the the Mary Garden Opera Fund.

The Committee resolved:-

to endorse the Aberdeen International Youth Festival's proposal to use the Mary Garden Fund to support up to four young promising singers from Aberdeen to attend an opera residency.

PROCUREMENT OF TENANT CONTENTS INSURANCE PROVISION – CG/10/071

25. The Committee had before it a report by the Director of Corporate Governance which requested approval to retender the contract for the tenant household contents insurance scheme, which provided home contents insurance cover for Council tenants.

By way of background the report advised that since August, 1995, the Council had been committed to providing a low premium 'pay as you go' contents insurance scheme for all tenants. As part of this scheme, special premiums were available for pensioners, and tenants also had the option to choose standard or accidental damage cover. Premiums could be paid at any cash office and by direct debit or standing order. It was proposed that the Council retender in order to allow continuation of the scheme, after the current contract expires on 31 December, 2010.

The Committee resolved:-

- (i) to instruct that the Council proceed to a formal new compliant tender for the provision of tenants household contents insurance from the expiry of the current contract; and
- (ii) that an award be made to the bidder submitting the most economically advantageous tender.

DECLARATION OF INTEREST

Councillor Yuill declared an interest in the subject matter of the following article by virtue of his employment, and withdrew from the meeting prior to consideration of the matter before members.

SOCIAL CARE AND WELLBEING SOCIAL CARE GRANTS

26. Reference was made to article 10 of the minute of meeting of the Social Care and Wellbeing Committee of 25 February, 2010, at which time officers were instructed to submit a report to this Committee on the savings to be achieved through cessation of funding, for information. At the aforementioned meeting of the Social Care and Wellbeing Committee, it had been agreed to approve officers' recommendations with regard to the grant awards, which included the cessation of funding to a number of organisations; to mainstream the funding to a number of organisations; and to refer the ACVO (Aberdeen Council of Voluntary Organisations) grant to this Committee for consideration (article 13 of the minute of the previous meeting of this Committee of 11 March, 2010 refers).

The report before members on this day provided an update on the budgetary savings comprising details of organisations affected by cessation of funding, and organisations affected by the mainstreaming of funding.

The report recommended:-

that the Committee:-

(a) approve the cessation of grants to the following organisations:-

Quarriers	£5,000
Scottish Motor Neurone Disease	£1,196
Newhills Parish Church	£5,000
FARE	£4,500
Altens Over 50's Project	£3,000
Cornerstone Aberdeen Employment	£9,000
Age Concern (Local)	£3,000
Age Concern (Scotland)	£20,000
Grampian Employment Opportunities	£4,500
Shopmobility	£22,000
Aberdeen Action on Disability	£20,000

(b) approve the mainstreaming of grants to the following organisations:-

Befriend a Child	£40,000
Counselling and Family Mediation	£20,000
James Tyrell Centre	£40,000
Samaritans	£10,000
Victim Support	£15,000
Who Cares Scotland	£15,000
WEA Reachout	£13,626.57
Inchgarth Community Centre	£5,400
Bread Maker	£21,300

- (c) approve the move to Corporate Governance of the ACVO (Aberdeen Council of Voluntary Organisations) grant;
- (d) approve the continuation of £3,000 funding to Age Concern (Local) by moving to mainstream services; and
- (e) agree the final savings figure of £94,196 which will be realised with effect from 1 April, 2010.

The Committee sought clarity with regard to whether any of the recommendations detailed above had already been approved. The Acting Senior Democratic Services Manager advised that recommendations (a) and (b) had been agreed at the aforementioned meeting of the Social Care and Wellbeing Committee; that recommendation (c) had been agreed at the last meeting of this Committee (article 13 of the minute refers); and that recommendations (d) and (e) were matters for the Social Care and Wellbeing Committee, and not this Committee. The Director for Social Care and Wellbeing confirmed this was the case.

The Committee resolved:-

- (i) to note the cessation of grants as detailed in recommendation (a);
- (ii) to note the mainstreaming of grants as detailed in recommendation (b);
- (iii) to note that the ACVO (Aberdeen Council of Voluntary Organisations) grant had been approved at the last meeting of this Committee; and
- (iv) to refer recommendations (d) and (e) as detailed above, to the Social Care and Wellbeing Committee, for their consideration.

REALIGNMENT OF POSTS (PAYROLL) - CG/10/088

27. The Committee had before it a report by the Director of Corporate Governance which requested that a number of posts within the payroll section be realigned.

By way of background the report advised that the payroll section processed and administered salaries and wages for organisations including the Council, Grampian Police, Aberdeen City Councillors, Aberdeen Safer Community Trust and the Aberdeen Greenspace Trust. It also properly accounted for all pay deductions and provided staffing and other management information from the PSe Payroll/HR (Human Resources) system.

The report further explained that as part of the restructuring at second tier level within the Council recently, responsibility for the payroll function had transferred from the City Chamberlain (now Head of Finance) to the Head of Human Resources and Organisational Development. The report then made reference to the following item on the agenda (HR Service Centre – article 28 of this minute refers) in which it was proposed that payroll be at the heart of the service delivery model for the HR service. It was noted in this context, the proposal to realign posts in payroll should be regarded as an interim measure. The report continued that changes created by the implementation of Equal Pay and Modernisation had entailed a degree of role change for some members of the payroll team; and it had been possible to rationalise the number of posts within the team. At this stage it was possible to rationalise resources further by formalising the role changes which had taken place.

The report outlined that the implementation of the proposal would enable the payroll service to (1) deal with the changes to terms and conditions brought about by the implementation of Equal Pay and Modernisation; (2) allow the operational payroll teams to cope with the move from weekly to monthly payrolls; (3) allow a team of lower graded staff to deal with the clerical and bulk input duties, allowing the more complex work to be carried out by the other operational payroll teams; (4) allow the development team to deal with the ongoing legislative/non legislative changes and developments that were required and improve service delivery; (5) allow the service to continue to train the payroll assistants in all aspects of payroll while allowing them to support the payroll clerical team; (6) allow the senior payroll officers to have more responsibility to support the work of the payroll manager; and (7) allow flexibility for senior payroll officers to support other operational payroll teams during times of absence.

The report concluded by outlining details of the relevant posts, grades, full time equivalents and salaries from April, 2010 including 28.3% on costs before and after the proposed realignment, and explained that this equated to a total annual saving of between £10,366 and £12,539, which was in addition to the previous saving of £31,710 already achieved and accounted for through the disestablishment of a 0.5 full time equivalent payroll officer post and one full time equivalent payroll assistant post at April, 2010.

The Committee resolved:-

(i) to approve the realignment of posts in the payroll section of HR as follows:

Job Title	FTE	Grade	Total Min plus 28.3% on costs	Total Max plus 28.3% on costs
Senior Payroll Officer	2	G12	£65,710	£75,042
Senior Payroll Officer Administration	1	G11	£28,732	£32,830
Senior Development Officer	2	G11	£57,465	£65,661
Payroll Officer	6	G10	£153,144	£172,250
Payroll Development Officer	1	G8	£20,735	£22,635
Payroll Assistant	2	G7	£39,003	£41,420
Clerical Assistant	3	G4	£49,840	£51,984
Totals	17		£414,629	£461,822

and

(ii) to note that further structural proposals would be forthcoming should the following article in this minute be approved.

CREATION OF A HUMAN RESOURCES SERVICE CENTRE- CG/10/087

28. The Committee had before it a report by the Director of Corporate Governance which presented a business case for the creation of a Human Resources (HR) Service Centre which would deliver cost effective, high quality support to its users by streamlining transactional and routine HR and payroll services, resulting in improved quality at a reduced cost. The report explained that

this would enable the HR Service to further develop its role from a traditionally reactive and operational function, to one which was more strategically aligned, and able to focus on facilitating and supporting organisational change and service excellence.

The report explained that when providing key support services, it was imperative that such services were responsive to the needs of the organisation. To ensure that best value was being provided, it was suggested that there was a need to ensure that the services provided inhouse remained competitive in terms of cost and quality of service, and that this required creative thinking about the way in which support was delivered to the organisation. In doing so, one of the key priorities was to streamline and simplify the transactional processes that were carried out and it was suggested that this was best achieved by service redesign, re-engineering processes and through the application of new technology solutions.

It was proposed that the HR service develop a customer support model that would enabled transactional and non strategic HR related activities to move to a central point equipped to deal with these activities, which would be referred to as the HR Service Centre. Such activities would include the administration of recruitment, pay and benefits, maternity leave, retirement, management information, as well as dealing with routine enquiries about HR policy and procedures, pay and conditions of service.

The report advised that the current cost of HR transactional support was £1,063704.41, which was a figure arrived at by the summing of salary costs and employers on costs. The Council had benchmarked these costs through CIPFA (the Chartered Institute of Public Finance and Accountancy) and they appeared to be relatively high and, therefore, capable of being rationalised. The report continued that these figures had been higher at 31 March, 2010 but approximately ten posts had already been removed or were likely to be removed in the staffing teams as part of the budget saving processes, in anticipation of the likely introduction of an HR service centre. The savings achieved thus far equated to approximately £250,000.

The report concluded by providing a detailed appraisal of the four options available, namely, (1) retain the Service as it is; (2) externalise HR transactional services; (3) centralise staffing teams; or (4) implement an HR Service Centre.

The Committee resolved:-

- (i) to approve the establishment of an HR Service Centre; and
- (ii) to instruct that the structural implications are reported to Committee as soon as is practicable, including details of the transfer of staffing posts from all five services.

DECLARATION OF INTEREST

Councillor Yuill having declared an interest in the report referred to in the following article by virtue of his employment left the meeting prior to the Committee's deliberations thereon and took no part in the proceedings.

GLENCRAFT – SUB LEASE - EPI/10/136

29. Reference was made to article 21 of the minute of meeting of this Committee of 28 January, 2010, at which time there was under consideration a report by the Chief Executive on progress made to re-establish the Glencraft company as a new social enterprise body, following the collapse of the previous business for financial reasons in late 2009 and in respect of which it was being suggested that, in order to assist the process, the Council make the former factory premises on Wellington Road available rent free for a period of up to one year. The resolution of the Committee at the said meeting was (1) to authorise the Head of Resources Development and Delivery, in consultation with the City Solicitor and the City Chamberlain, to enter into immediate negotiations to lease the property at Wellington Road formerly occupied by Glencraft to the social enterprise being formed to re-establish the business and to report back to the earliest possible on the terms and conditions of the lease; and (2) to agree that on the basis that the negotiated lease will provide the property to the new social enterprise rent free for a period of up to one year, the resultant significant loss of income from the Enterprise, Planning and Infrastructure draft revenue budget for 2010/2011, be made up from contingencies.

The Committee now had before it a report by the Director of Enterprise, Planning and Infrastructure which contained an update on the lease negotiations. The report before members confirmed that the lease negotiations had successfully concluded; and advised of the basic terms of the agreement and of the consents issued in that regard by the Scottish Government and the Council's landlord of the premises at Wellington Road.

The Committee resolved:-

- (i) to note the content of the report; and
- (ii) that appropriate officers provide Councillor Graham with a breakdown of the contributions made by all organisations to the new Glencraft (Aberdeen) Limited.

LEADSIDE HALL – FUTURE USE (EPI/10/143)

30. Reference was made to article 51 of the minute of meeting of the former Resources Management Committee of 26 August, 2008, at which time there was under consideration a report by the Head of Resources Development and Delivery relative to the subjects at 41-45 Leadsides Road, Aberdeen, both of which (workshop at 41 Leadsides Road and Leadsides Hall, 43-45 Leadsides Road) had been declared surplus to Council requirements and were being considered for possible disposal to Devanha Housing, the umbrella organisation representing Registered Social Landlords (RSLs) in the area, for development for affordable housing. The report before members at that time had drawn attention to the requirement, because 41 Leadsides Road was held by the Council on Common Good, for the sale of that property to meet certain strict financial criteria set down in respect of such properties and which would be difficult to achieve in such circumstances. The resolution of the Committee at the said meeting was to agree with the view expressed by Area Committee Central when it had considered the same report together with a letter from the Tenants First Housing Cooperative which contained, as a possible solution to the difficulty identified, the suggestion

that the Council consider the creation of a Limited Liability Partnership. Area Committee Central had agreed that appropriate officers enter into discussions with the RSL's on the possibility of creating a Limited Liability Partnership as a basis for the future development of Council owned land for affordable housing purposes and to report further. The Committee now had before it a further report on the matter by the Director of Enterprise, Planning and Infrastructure.

The report before the Committee confirmed that the suggestion regarding the Limited Liability Partnership had been taken up by the former Head of Policy for Services to Adults, who had sought advice on the matter from the City Solicitor; indicated what the tenor of that advice had been; drew attention, however, to the lapse of time since the properties at 41-45 Leadsides Road had been valued; and advised of the outcome of a recent valuation exercise undertaken on the Council's behalf by its external property consultants. The report also advised of the current advice received regarding the figure that would require to be secured for the Common Good Fund, in order to meet the necessary criteria set down and to offset the fact that a commercial rent is currently payable to the Council in respect of 41 Leadsides Road, a situation which would seem to preclude any disposal for less than the open market value of the property.

The conclusion arrived within the report was that while further advice from the Head of Legal and Democratic Services and Head of Finance would be required, the current valuation levels of the combined site at Leadsides Road would appear to make any proposed purchase by an RSL for use for affordable housing purposes, unsustainable.

The report recommended:-

- (a) that the Committee note the content of the report and the possible creation of a Limited Liability Partnership; and
- (b) that the Head of Asset Management and Operations be authorised to arrange for the combined site to be advertised for sale on the open market and to submit a further report to the appropriate meeting of this Committee in due course, detailing the outcome of the marketing exercise and including the appropriate financial and legal advice.

The Committee resolved:-

that the report recommendations be adopted and appropriate officers authorised accordingly and also, as regards an expression of interest received from the Bon Accord Silver Band in leasing Leadsides Hall, to assist the band in finding alternative suitable accommodation.

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

CHILDREN WITH ADDITIONAL SUPPORT NEEDS (ECS/10/033)

31. With reference to article 10 of this minute the Committee had before it an appendix which contained details of an options appraisal and feasibility study that had been undertaken for the Cordyce site.

The Committee resolved:-

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

MANAGEMENT INFORMATION SYSTEMS (MIS) FOR SCHOOLS – PROCUREMENT (ECS/10/029)

32. The Committee had under consideration, upon a referral from the Education, Culture and Sport Committee (article 27 of the minute of meeting of 15 April, 2010 refers), the decision of that Committee regarding the award of a contract for the procurement and implementation of a Management Information System which would provide a comprehensive performance management tool for the authority's schools and central teams and also access by partners to data to ensure good and timely intervention in pupils' education if problems are detected.

The detail of the Committee decision, following its consideration of a report by the Director of Education, Culture and Sport was:- (1) to enter into a contract with the preferred bidder, Bidder A, subject to agreement of terms and conditions which are acceptable to the Council; (2) to enter into a contract with the second placed bidder, Bidder B, for the procurement and implementation of the Management Information System, should officers fail to reach agreement on suitable terms and conditions with Bidder A; and (3) to refer the report to the Finance and Resources Committee for consideration of the capital funding implications arising. The report by the Director of Education, Culture and Sport on the matter, was again circulated to the members of the Finance and Resources Committee.

The Committee resolved:-

that the decision of the Education, Culture and Sport Committee be endorsed and the capital funding implications arising, be noted.

INTERNAL AUDIT SERVICES – CONTRACT AWARD (CG/10/084)

33. The Committee had under consideration a report by the Director of Corporate Governance which advised of the receipt of tenders in respect of the provision by an external source, of Internal Audit Services.

The report indicated that following an earlier decision by the Audit and Risk Committee, tenders had been invited, and a preferred bidder identified; the results of the tender exercise and the scored evaluations had been submitted to the Audit and Risk Committee meeting of 27 April, 2010 and the views of that Committee would be reported to the Finance and Resources Committee, as part of their deliberations on the matter.

The report recommended:-

that subject to agreement on terms and conditions and the signing of the contracts, the contract for the supply of Internal Audit Services to the Council for a period of three years from 1 June, 2010, with an option for a one year extension, be awarded to PricewaterhouseCoopers LLP.

The Committee resolved:-

to agree the report recommendation.

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. Both Councillors withdrew from the meeting during consideration of the matter.

CITIZENS' ADVICE BUREAU – MINUTE OF AGREEMENT AND THE PROPOSED MERGER OF DEBT COUNSELLING AND WELFARE RIGHTS TEAMS

34. With reference to article 31 of the minute of its previous meeting, the Committee had before it a report by the Director of Housing and Environment which provided the Committee with an update on progress to (1) identify a source for the £70,000 required for the provision of debt counselling to the public; (2) merge the Council's Debt Counselling and Welfare Rights teams; and (3) implement a Minute of Agreement in respect of services provided to the Council by the Citizens' Advice Bureau (CAB).

The report provided a synopsis of the current legal arrangement between the Council and the CAB and options in this regard; outlined the potential effects this may have on the merger between the Council's debt counselling and welfare rights services; and discussed the possibility of utilising the Council's power of wellbeing to procure a debt counselling service, and possible risks that may be associated with this course of action.

At this point in the meeting the Convener advised that a member of the press had contacted him regarding the terms of the Director's report, which was clearly marked as containing exempt information, and requested that the Head of Democratic and Legal Services, as the Council's Monitoring Officer, deal with this matter.

The report recommended:-

that the Committee:-

- (i) agree that the required £70,000 of savings (previously proposed to be made from the cessation of funding to Aberdeen Citizens' Advice Bureau) be found from elsewhere within the Environment Service as follows:
 - (a) £15,000 from Private Landlord Registration fees (the projected saving was £96,000 on average for the next three years, but it was

- anticipated that there would be much more than that in 2010/11, given the characteristics of the renewal cycle);
- (b) £15,000 from the disestablishment of one trainee Environmental Health Officer post;
 - (c) £10,000 from street cleansing (over and above the savings already set for 2010/11);
 - (d) £10,000 from the public toilets budget; and
 - (e) £20,000 from street sweeping trading account (over and above the savings already set for 2010/11);
- (ii) note the progress being made to merge the Council's Debt Counselling and Welfare Rights services;
 - (iii) instruct the Director of Housing and Environment to report back to this Committee at the next cycle recommending the most appropriate way forward for the procurement of debt counselling and associated services currently provided by the Citizens' Advice Bureau, having regard to best value, the legal constraints regarding procurement of services and the Council's power to advance wellbeing under the Local Government (Scotland) Act 2003;.
 - (iv) agree to continue the funding of the Aberdeen Citizens' Advice Bureau to provide debt counselling services until a final decision is made on how these services should be procured at the next meeting on 17 June, 2010; and
 - (v) to note the legal advice on the risks associated with (1) establishing a minute of agreement with Aberdeen Citizens' Advice Bureau under the Public Contracts (Scotland) Regulations 2006 as amended; and (2) continuing with the current arrangement where an implied contract is in place between the Council and Aberdeen Citizens' Advice Bureau .

Some members expressed their concern that there was no intimation within the report of the impact the savings proposed at recommendation (i) would have on the Service; in response the Convener explained that this recommendation was a matter for the Housing and Environment Committee, and would have to be referred to their next meeting for consideration.

The Convener, seconded by Councillor Dean, moved:-

that the Committee refer recommendation (i) to the Housing and Environment Committee for their consideration; and approve recommendations (ii) – (v).

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

that the Committee do not approve recommendation (i); agree that the £70,000 required, be funded from the Council's contingencies; and approve recommendations (ii) – (v).

On a division, there voted:- for the motion (9) – the Convener; and Councillors Cormack, Corall, Dean, Dunbar, Kiddie, Leslie, McCaig and Yuill; for the amendment (4) – Councillors Cassie, Cooney, Farquharson and Graham.

The Committee resolved:-

to adopt the successful motion.

TRADING SERVICES MONITORING 2009/2010 – CG/10/089

35. With reference to article 36 of the minute of its previous meeting, the Committee had before it a report by the City Chamberlain which provided details of the current positions and forecast outturns for the financial year 2009/10 for trading activities, both significant and non significant.

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

The Committee resolved:-

- (i) to note that the forecast outturn to 31 March, 2010 showed an updated projection of an overall surplus for the significant trading activities in the order of £7.639million and compared favourably with the budgeted surplus of £7.206million which was lower than the previously forecast position of a surplus of £8.343million;
- (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 be achieved, before allowing for the effect of pension adjustments required under the provisions of financial reporting standard number 17 (FRS17), the value of which was unknown at this time;
- (iii) to note that, whilst there was no statutory requirement for non significant trading activities to make the best value financial objective, an overall deficit of £1.685million was currently forecast for the year within these activities; and that this forecast deficit was greater than budgeted and was before taking in to account any adjustment for FRS17 pension;
- (iv) to note that following completion of the 2009/10 financial statements, a report on the actual outturn will be presented to this Committee; and
- (v) to note the following previous decisions by this Committee (article 32 of the minute of meeting of 12 November, 2009 refers), a review of the Council's trading services was being undertaken and would be reported to this Committee at an early date.

SATROSPHERE LIMITED - ECS/10/045

36. The Committee had before it a report by the Director of Education, Culture and Sport which provided an update on the current financial status of Satrosphere Limited and requested that the Committee approve the renewal of the current bank guarantee arrangement in place.

Appended to the report were (1) Satrosphere Science Centre's business plan for 2010/11; (2) financial accounts for 2010/11; (3) Satrosphere's annual report for the year to 31 March, 2009; and (4) a copy of the most recent report that had been submitted to the Culture and Leisure Trust Monitoring Working Group of 18 January, 2010.

The Committee resolved:-

- (i) to note the financial update provided;
- (ii) to approve the renewal of the current bank guarantee arrangement until 31 March, 2011, based on the organisation's 2010/11 business plan and commitment to work towards a reduction in the overdraft requirement by this point, and subject to a legal review of the terms of the guarantee;
- (iii) to instruct that, as a condition of continuation of the bank guarantee, Satrosphere actively consider the options for the restructuring of at least part of the current overdraft facility to a reducing term loan; and
- (iv) to instruct that it be intimated to Satrosphere that, should this be necessary, consideration of future guarantee requirements would be subject to the Council's expectations of a reducing level of exposure and the organisation meeting the 2010/11 business plan targets.

NOTIFICATION OF EXEMPTION FROM STANDING ORDERS – CONTRACT WITH DVLA - CG/10/079

37. The Committee had before it a report by the Director of Corporate Governance which advised the Committee of the agreement of the Chief Executive, Head of Legal and Democratic Services and the City Chamberlain to exempt a contract between the Council and the DVLA (Driver and Vehicle Licensing Authority) for the provision of an electronic data interchange (EDI) service from the requirements of the Council's Standing Orders due to the contract being urgently required to meet the needs of the Service.

By way of background the report advised that the parking office and environmental services had used the EDI non fee paying service to trace registered keepers of vehicles which had received penalty charge notices or been abandoned; and without access to the EDI service it would be impossible to access this information and recover revenue due from penalty charge notices.

The report provided details on the contract with the DVLA and an overview of the actions taken by the Chief Executive, Head of Legal and Democratic Services and City Chamberlain in order to exempt this contract from the Council's Standing Orders.

The Committee resolved:-

to note the action taken by the relevant officers.

DECLARATION OF INTEREST

Councillor Corall declared a personal interest in the subject matter of the following article and left the meeting prior to the Committee's deliberations thereon.

TOWNSCAPE HERITAGE INITIATIVE (THE GREEN) – VERBAL UPDATE REPORT

38. With reference to article 33 of the minute of its previous meeting, and in the absence initially of the Director of Enterprise, Planning and Infrastructure, a senior roads officer appraised the Committee on the progress of ongoing road and environmental improvement works being carried out in The Green area of the city centre as part of a Townscape Heritage Initiative, for which grant funding had been made available by means of a Heritage Lottery Fund grant. The background to the matter involved complaints by business owners located at The Green and members of the public regarding general disruption and access issues arising from the lack of adequate signage and the apparently uncoordinated way in which the works were being carried out by the contractors. The senior roads officer present indicated to the Committee that despite the occurrence of unforeseen problems involving a main sewer pipe and certain public utility companies, the proposed date for substantial completion of the works was still predicted to be mid July, 2010. The Director of Enterprise, Planning and Infrastructure being now present, the Committee posed several questions to him concerning the apparently haphazard manner in which the contract was being managed and raised particular concern about the impending relocation of site huts from Hadden Street to another part of The Green in order to facilitate the works required to be carried out in that street.

The Committee resolved:-

- (i) that the Convener and the Leader of the Council meet with the contractors at a very early date to discuss the situation and to progress matters to a more satisfactory level; and
- (ii) that the Director of Enterprise, Planning and Infrastructure be instructed to prepare a report on the project management of the contract for works at The Green, to be considered by the Enterprise, Planning and Infrastructure Committee and, if necessary, in that Committee's view, also by the Audit and Risk Committee.

CORPORATE ASSET MANAGEMENT SYSTEM

39. Reference was made to article 26 of the minute of meeting of the Finance and Resources Committee of 11 March, 2010, at which time there was under consideration the latest report relating to the upgrading of the Council's Corporate Asset Management System by replacing the current stand alone system with a corporate solution. The Committee now had before it a further report on the matter by the Director of Corporate Governance.

The extent of progress made with regard to the Non Housing Property Module was outlined within the report which also advised on training and next steps. Having also identified certain procurement issues arising and upon which the Project Board had been required to take legal advice, the report confirmed that the Board now intended to purchase certain modules which had been identified as priority requirements.

The report recommended:-

- (a) that the Committee note the progress made to date in replacing the existing stand alone systems with the Corporate Asset Management System;
- (b) that the Committee grant approval for the following modules to be purchased direct from the supplier, namely the e-financials link to Non Housing Property, trees database, grounds implementation and replacement of obsolete mobile working devices;
- (c) that the Committee also approve that the contract is amended as outlined at Part 5 of the report in order to manage the completion of the contract and adequately specify the outstanding work required; and
- (d) that the Director of Corporate Governance be requested to report back on progress to the Finance and Resources Committee meeting to be held on 17 June, 2010.

The Committee resolved:-

that the recommendations contained within the report be approved.

THE GREEN – LAND ACQUISITION APPROACH (EPI/10/142)

40. The Committee had under consideration a report by the Director of Enterprise, Planning and Infrastructure which advised of an unsolicited approach from a local business seeking to acquire an area of ground at The Green from the Council on an off market basis, in order to facilitate a development for which planning permission had successfully been applied for.

The report (1) had annexed a plan of The Green area of the city centre upon which the location of the site, the subject of the request, was identified; (2) advised members that no formal negotiations had taken place in response to the request received; (3) made reference to existing Council policy on pavement cafes, in respect of which the proposal approved in terms of the planning regulations, would not conform; and (4) outlined the detail of the advice proffered by Council officers at the time consultations on the planning application were requested. The report contained the basis upon which any sale or lease of the ground at The Green would take place and the options available to the Committee in dealing with this matter.

The report recommended:-

that having considered all aspects of the request, the application be rejected as it is considered unviable to stop up and sell part of the public road, within a prominent area which has seen significant public realm investment recently.

The Committee resolved:-

that the application to acquire an area of land at The Green, be rejected.

**FERRYHILL PROPERTIES (58 POLMUIR ROAD AND 11 FONTHILL TERRACE)
(EPI/10/144)**

41. Reference was made to article 34 of the minute of meeting of the Finance and Resources Committee of 12 November, 2009, at which time there was under

consideration a report by the Director of Enterprise, Planning and Infrastructure advising with regard to the results of the marketing of certain vacant Council owned properties in the Ferryhill area of the city. The resolution of the Committee at that time, as regards one of the properties involved (11 Fonthill Terrace) was to reject the only offer received and to remarket the property for sale. The outcome of the marketing process in respect of one other property involved (58 Polmuir Road) was also dealt with in terms of the minute referred to. The Committee now had under consideration a further report by the Director of Enterprise, Planning and Infrastructure in relation to the two properties mentioned, ie. 11 Fonthill Terrace and 58 Polmuir Road, the latter of which had also required, for the reasons outlined within that report, to be remarketed for sale.

The report contained full descriptions of each of the properties in question and the detail of the offers received following advertisement on the open market as being available to purchase. An assessment of the offers received was contained within the report which also confirmed that the Council's Head of Legal and Democratic Services had indicated that the respective highest offers were acceptable in principle subject to various qualifications to protect the Council's interests.

The report recommended:-

- (a) that the highest offer received for 58 Polmuir Road, Aberdeen, submitted by Messrs. Paull & Williamsons, Solicitors, Aberdeen, on behalf of a Mr. Compton Ross, be accepted;
- (b) that the highest offer received for 11 Fonthill Terrace, Aberdeen, submitted by KWAD Solicitors, Aberdeen, on behalf of Mr. Gordon Thomson, be accepted; and
- (c) that the Head of Legal and Democratic Services be instructed to conclude missives of sale in respect of each property on the basis of the offers accepted and otherwise on such terms and conditions as are necessary to protect the Council's interests.

The Committee resolved:-

that the report recommendations be approved and the Head of Legal and Democratic Services authorised accordingly.

STATION HOUSE MEDIA UNIT – LEASE NEGOTIATIONS (EPI/10/139)

42. Reference was made to article 30 of the minute of meeting of the former Resources Management Committee of 29 March, 2007, at which time there was under consideration a report by the Head of Culture and Leisure (Central Area) on the future of Station House, 8 Station Road, Woodside, Aberdeen. The resolution of the Committee at the time was to terminate the then lease of the property with the Community Centre Management Committee and to agree that the property be sold or leased to the Station House Media Unit at less than market value. The Committee now had under consideration a report by the Director of Enterprise, Planning and Infrastructure relating to the lease negotiations undertaken by officers with Station House Media Unit (SHMU).

The report before members advised that at the request of SHMU, the Station House building was to be the subject of a lease; and explained the two year delay in progressing the lease negotiations with reference to issues which the SHMU

representatives felt should be considered by their Board, to staff turnover within the Council's Asset Policy (Non Housing) Team and to other issues relating to outstanding repairs to the building, which were now in hand. The report also made reference to the core terms and conditions of lease provisionally agreed and which involved a rent of £1 per annum if asked over a ten year period during which the premises would be used to provide charitable services as identified in the organisation's Memorandum of Association, primarily the support and training of disadvantaged groups in the identified regeneration communities of North and Central Aberdeen. The report also identified, as the matter still to be resolved, the area of rough ground situated adjacent to the building and currently used, informally, as a car park by users of the Unit. The report outlined the various issues arising for both parties in the continued use of this area of ground as an informal car parking area.

The report recommended:-

- (a) that the Committee provisionally approve the terms and conditions of lease of 8 Station Road, Woodside, Aberdeen, as described within paragraph 6.4 of the report;
- (b) that the Head of Finance be authorised to apply to the Scottish Government under Section 74 of the Local Government (Scotland) Act 1973, for consent to lease 8 Station Road, Woodside at below open market value;
- (c) that it be remitted to the Head of Legal and Democratic Services to formally conclude the lease on the terms and conditions provisionally agreed and also subject to such conditions as are considered necessary to protect the Council's interests; and
- (d) that appropriate officers be instructed to report again to the Committee on the future management, maintenance and operation of the adjacent car parking area which is not to be included within the subjects leased.

The Committee resolved:-

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

54 PARK ROAD, ABERDEEN – PROPOSED LEASE (EPI/10/146)

43. The Committee had under consideration a report by the Director of Enterprise, Planning and Infrastructure regarding the need, on the part of the Infrastructure Service Group, to seek alternative accommodation to house wheelie bins and road salt and of the outcome of negotiations with agents on behalf of the owners of warehouse units located at 54 Park Road, Aberdeen, for that purpose.

The report had annexed a plan of the site the subject of the report; provided certain background information relating to the units and the current arrangements employed by the Council to store the wheelie bins and salt; advised also of the circumstances surrounding the leases currently entered into, which necessitate the sourcing of alternative arrangements; and highlighted the revenue savings likely to be achieved should the report recommendations be approved. The provisional Heads of Terms of Lease in respect of the units at 54 Park Road were outlined within the report, which also indicated that the Head of Legal and Democratic Services considered these to be acceptable in principle, subject to any qualifications required to protect the Council's interests.

The report recommended:-

- (a) that the proposed Heads of Terms of Lease for a five year internal repairing lease of the three warehouse units within the complex at 54 Park Road, Aberdeen, be approved in principle, subject to subsequent discussion and approval by the Service Committee;
- (b) that the report before members be referred to the meeting of the Enterprise, Planning and Infrastructure Committee on 31 May, 2010 for further consideration; and
- (c) that, if approved by the Enterprise, Planning and Infrastructure Committee, the Head of Legal and Democratic Services be instructed to formally conclude the lease, incorporating various qualifications as are necessary to protect the Council's interest.

The Committee resolved:-

that the report recommendations be approved and the Head of Legal and Democratic Services authorised accordingly.

3Rs PROJECT – REPLACEMENT OF FM PROVIDER (EPI/10/151)

44. The Committee had under consideration a report by the Director of Enterprise, Planning and Infrastructure which advised of the need for the Council to replace the Facilities Management (FM) Service Provider under the 3Rs School Replacement and Refurbishment Project and sought approval for the appointment of Robertson Facilities Management Limited to that role.

The report by way of background information reminded members of the restructuring of the 3Rs Project in July 2009, following the impact of the Icelandic banking crisis of the time, on Landsbanki, the senior project funder; and confirmed that following that restructuring, the construction of a number of new schools reached completion in accordance with the revised programme. The subsequent problems that affected the facilities management provider for the project, were also referred to in the report, as was the action taken by the main contractor under the Project Agreement, in that regard. The report outlined the basis upon which the FM services are to be supplied by the new provider, which was effectively on the same terms as the original contract except for two changes, both of which were highlighted. The staffing and pensions aspects, the timetabling and the legal and financial implications for the Council, were all addressed within the report.

The report recommended:-

- (a) that the Council consent to the identity of the replacement FM Provider to be Robertson Facilities Management Limited, subject (i) to the completion of all legal and financial due diligence, (ii) to there being no material changes in the Project Documents, and (iii) to Robertson Facilities Management Limited becoming an admitted body in the Aberdeen City Council Pension Fund, in relation to the 3Rs Project; and
- (b) that the Head of Legal and Democratic Services, or her nominated representative, be delegated to complete the assessment of each of the items listed under (a) above and to undertake the final negotiation, completion and approval on behalf of the Council of all documents required to facilitate the replacement of the FM Provider.

The Committee resolved:-

That the report recommendations be approved and the Head of Legal and Democratic Services authorised accordingly.

DECLARATION OF INTEREST

Councillor Graham declared an interest in the matter referred to in the following article by reason of his position as a member of the Aberdeen Safer Communities Trust. Councillor Graham did not consider it necessary to withdraw from the meeting however and participated fully in the Committee's deliberations.

GRANITEHILL ROAD SITE (EPI/10/134)

45. Reference was made to article 40 of the minute of meeting of the Finance and Resources Committee of 10 December, 2009 at which time the latest report by officers regarding the Granitehill Road site was under consideration and it was resolved (1) in relation to the possible excambion with Mansell Contractors as owners of the adjacent site on Granitehill Road, that Mansell be advised that they must confirm by 31 March, 2010, whether or not they are to progress with the proposed land swap; (2) in relation to the possible creation on part of the site of a North East Safety Centre, that the Aberdeen Safer Communities Trust be advised that they must confirm by 31 March, 2010, that the necessary funding is in place; (3) in relation to the possible relocation of Council services to the site from several smaller area based depots which are now substandard, to progress with the Director of Housing and Environment and the Director of Enterprise, Planning and Infrastructure the development options for a Council services depot at Granitehill; and (4) that a report in relation to all of these matters be submitted for consideration to the meeting of the Committee to be held on 11 May, 2010. The Committee now had before it a report by the Director of Enterprise, Planning and Infrastructure containing an update of the current situation.

The report before members advised with regard to the Mansell situation which was that they were unable to make any commitment to the excambion at this time and accepted that the Council may wish to press ahead with its own plans although they would appreciate it if they could be kept informed as to whether and when the site may become unavailable to them. On the matter of the North East Safety Centre, the report indicated that the Aberdeen Safer Communities Trust could not commit to the project at this time although it was their intention to continue with its fund raising efforts. As a result of the circumstances surrounding both the excambion proposal and the proposed reservation of part of the Granitehill site for a Safety Centre, the report author acknowledged there was clearly an opportunity to consider whether the whole site can be utilised for council purposes and confirmed that design and costing work would continue with a view to making a bid to the Non Housing Capital Plan appraisal process for 2011/12.

By way of a general comment on the situation with the Granitehill site, the report contained an outline of the assessment received from the Council's external

advisors for property valuation services; considered the possible financial implications for the Council of leaving the site vacant; and looked ahead to the position the Council may find themselves in depending upon how far and when the market for industrial sites in the city picks up.

The report recommended:-

that the Committee;-

- (a) note the inability of Mansell to commit to the proposed land swap and development scheme at the present time or confirm when that might change;
- (b) rescinds all previous decisions to allocate or reserve any part of the Granitehill site for a potential land swap with Mansell;
- (c) notes the inability of Aberdeen Safer Communities Trust to commit to its proposed development;
- (d) rescinds all previous decisions to allocate or reserve any part of the Granitehill site for the development of the North East Safety Centre by Aberdeen Safer Communities Trust; and
- (e) instructs the Head of Asset Management and Operations to (i) progress preliminary design and costing of the redevelopment of the site at Granitehill for Council purpose in anticipation of submitting a bid to the Non Housing Capital Plan appraisal process for 2011/12, and (ii) maintain a watching brief on market conditions and report back as and when exposure of the site to the market might yield a favourable outcome.

The Committee resolved:-

that the report recommendations be approved.

PARK HOUSE – FUTURE USE (EPI/10/145)

46. Reference was made (1) to article 36 of the minute of meeting of this Committee of 12 November, 2009, at which time the combined future use or disposal of a number of Council owned properties within Westburn Park was considered and it was resolved, among other things, that the subjects Park House, 120 Westburn Road, Aberdeen, declared surplus to Council requirements, be presented to the market as a stand alone development opportunity; and (2) to article 37 of the minute of meeting of this Committee of 28 January, 2010, at which time there was under consideration a report by the Director of Enterprise, Planning and Infrastructure which advised of an approach from an independent charitable organisation seeking to relocate from their current premises to a site close to Aberdeen Royal Infirmary and it was resolved to authorise appropriate officers to enter into discussions with that organisation on the suitability of the Park House site for their purposes and to report further. The Committee now had before it the report requested.

The report before members (1) had annexed a drawing which identified the boundaries of the site in question, which the charitable organisation had confirmed would be suitable for its redevelopment proposals; (2) highlighted certain key issues discussed between the parties, which included the question whether a disposal would be on the basis of an outright purchase or a long lease; (3) advised with regard to the offer received from the organisation to acquire the land at Westburn and the response to that on the Council's behalf; (4) advised further on the provisionally negotiated terms and conditions for a long lease of the site, should

that be the preferred option; and (5) outlined one or two other issues which it was felt had a bearing on the matter.

The report recommended:-

that given the sensitive nature of the site, the committee consider two options, namely (a) to authorise the Head of Asset Management and Operations in conjunction with the Head of Legal and Democratic Services, to conclude the long lease of the Park House site at 120 Westburn Road, Aberdeen, to Cancer Link Aberdeen and North (CLAN) at the initial rent provisionally negotiated and otherwise on the terms identified within the appendix to the report; or (b) to authorise the Head of Asset Management and Operations to advertise the site for sale on the open market and to report on the outcome of that marketing exercise in due course.

The Committee resolved:-

- (i) that option (a) as detailed above be approved and the Heads of Asset Management and Operations and Legal and Democratic Services, authorised accordingly; and
- (ii) that CLAN be made aware of the decision at (i) above, at the conclusion of the meeting in order that they can release a press statement.

DECLARATION OF INTEREST

Councillor Graham declared an interest in the subject matter of the following article by virtue of his membership of Auchmill Golf Club, and withdrew from the meeting prior to consideration of the matter.

GREENFERNS – DEVELOPMENT OPTIONS (EPI/10/141)

47. The Committee had under consideration a report by the Director of Enterprise, Planning and Infrastructure relative to the Council owned area of land at Greenferns, situated to the west of the city and extending to some sixty seven hectares, which land has been identified in the adopted Aberdeen Local Plan as a future housing site with the potential to deliver new community facilities, community woodland, improvement to recreational facilities, road improvements and new employment opportunities. The report before members sought to provide an update on the current status of the work being carried out to identify some of the development issues involved and was also seeking approval for officers to undertake a process to identify a strategic development partner.

The report reminded the Committee that the Enterprise, Planning and Infrastructure Committee, at its meeting on 12 January, 2010, had approved the Greenferns Masterplan and Development Framework as supplementary planning guidance; made the point that although part of the site (the OP2 area) was available for development now, the land was subject to agricultural tenancies; also pointed out that in addition to that part of the larger site identified as strategic reserve land (approximately 68 hectares), presentations and submissions had been made to the Council as planning authority for a wider area at Greenferns to be included within the new Local Development Plan for the city. The report indicated that as part of a

development framework exercise, an outline business case had been prepared which confirmed that the level of investment that would be required to develop the sites at Greenferns would be outwith the resources of the Common Good Fund upon which the land was held and in an attempt therefore to move things forward, the report author referred to the need for work to begin on securing planning consent; with regard to the negotiations to be carried out with agricultural tenants; and also as regards the marketing of the sites, all of which would require to be done timeously in order to achieve the best return for the Council. The report also indicated that the view of project officers was that additional expertise would be required in order to work towards delivering a scheme which meets all the Council's aspirations and commented that by procuring a Strategic Development Partner, it was hoped that the Council would get access to development experience, a track record in delivery, feasibility finance, development finance and a higher end receipt for the Common Good Fund.

Since further officer time was felt to be required in order to identify a full specification of the services required from any Strategic Development Partner and also the costs likely to be incurred (to be offset from future receipts), the report author suggested that subject to the agreement of the Committee to the report recommendation, efforts be made during the summer to identify a partner with a further report being submitted to Committee later in the year. The report author further suggested that the project incorporate a peer review at critical decision making stages.

The report recommended:-

that the Director of Enterprise Planning and Infrastructure, the Head of Legal and Democratic Services, the Head of Finance and the Head of Asset Management and Operations be authorised to undertake a procurement process to identify a Strategic Development Partner for the wider Greenferns area, in advance of any decision being made to declare the sites surplus.

The Committee resolved:-

that the report recommendation be approved and the named officers authorised accordingly.

DECLARATION OF INTEREST

During consideration of the following article, and further to advice from the Head of Legal and Democratic Services, one member elected to withdraw from the meeting and take no part in discussion of the matter.

ST NICHOLAS SITE – LEAKED REPORT – UPDATE

48. With reference to article 34 of the minute of its previous meeting, the Committee heard from the Head of Legal and Democratic Services, who provided an update on progress in relation to the ongoing investigation on the leaking of the report on St Nicholas House Site (article 35 of the minute of meeting of this Committee of 12 November, 2009 refers). Mrs MacEachran advised the Committee of the Members who had indicated they were not willing to be

interviewed in relation to this matter, and requested that the Committee instruct a way forward in this regard.

The Committee resolved:-

to request that the Head of Legal and Democratic Services contact the Standards Commission in relation to the conduct of those Councillors who declined to be interviewed by the Monitoring Officer on the leaking of the report, and for Mrs MacEachran to seek the advice of the Standards Commission as to whether it would be appropriate for them to investigate these matters.

- **COUNCILLOR KEVIN STEWART, Convener.**