

FINANCE AND RESOURCES COMMITTEE

ABERDEEN, 17 June, 2010 - minute of meeting of the FINANCE AND RESOURCES COMMITTEE. Present:- Councillor Kevin Stewart, Convener; Councillor Fletcher, Vice Convener; and Councillors Cassie, Cormack, Corall (substitute for Councillor Fletcher for articles 6 and 7), Cormie (substitute for Councillor John West for articles 6 and 7; and for Councillor McCaig from article 34), Crockett, Dunbar, Farquharson, Graham, Greig (substitute for Councillor Cormack for article 6), Jaffrey (substitute for Councillor Dunbar for article 6), Kiddie (until article 36), Leslie (until article 36), McCaig (until article 34), Noble (substitute for Councillor McCaig for article 6; and for Councillor Kiddie from article 36), John Stewart (substitute for Councillor Dean until article 33), John West, Young (substitute for Councillor Crockett for articles 8 - 15) and Yuill.

Also in attendance:- Councillors Allan and Donnelly for article 34.

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

1. The Convener (1) proposed that the Committee consider those reports identified on the agenda as being for determination in private, with the press and public excluded; (2) advised that four requests for deputation had been received in accordance with Standing Order 10; and (3) further proposed that should these requests be accepted by the Committee, that item 7.4 of the agenda (Employment Costs) be considered immediately after item 2.5 of the agenda (Motions List), followed by items 8.1 (Transfer of Sports Service to Sport Aberdeen) and 5.7 (Beach Leisure Centre – Heating and Ventilation Works), which would be considered as one item immediately thereafter.

The Committee resolved:-

- (i) in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting from article 34 of this minute onwards (item 10.1 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 34 (paragraph 8), article 35 (paragraphs 6 and 9), article 36 (paragraphs 8 and 12), article 37 (paragraphs 8 and 11), article 38 (paragraph 6), article 39 (paragraphs 8, 9 and 10), article 40 (paragraph 12), article 41 (paragraph 6), article 42 (paragraph 9), article 43 (paragraphs 6 and 9), article 44 (paragraphs 6 and 9), article 45 (paragraphs 6 and 9), article 46 (paragraphs 6 and 9), article 47 (paragraphs 6 and 9), article 48 (paragraphs 6 and 9), article 49 (paragraphs 6 and 9), article 50 (paragraphs 2, 6 and 9), article 51 (paragraph 9), and article 52 (paragraphs 6 and 9);

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- (ii) to agree to hear depositions from (1) Unite the Union, (2) Unison, and (3) GMB in relation to item 7.4 of the agenda (Employment Costs); and Northfield Community Council in relation to item 8.1 of the agenda (Transfer of Sports Service to Sport Aberdeen); and
- (iii) to concur with the proposals of the Convener in respect of the order of agenda.

MINUTE OF PREVIOUS MEETING

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

The Committee resolved:-

to approve the minute as a correct record.

MINUTE OF MEETING OF THE JOINT CONSULTATIVE COMMITTEE

3. The Committee had before it the minute of meeting of the Joint Consultative Committee of 25 March, 2010.

The Committee resolved:-

to note the minute.

MINUTE OF MEETING OF THE CORPORATE HEALTH AND SAFETY COMMITTEE

4. The Committee had before it the minute of meeting of the Corporate Health and Safety Committee of 26 February, 2010.

The Committee resolved:-

to note the minute.

DECLARATION OF INTEREST

Councillor Yuill declared a pecuniary interest in relation to item 22 of the Business List (Pinewood/Hazledene) and withdrew from the meeting prior to any discussion taking place on this matter.

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COMMITTEE BUSINESS STATEMENT

5. 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 delete items 4 (Charitable Trusts), 5 (Culter Grounds Depot), 10 (Financial Strategy - Employment Costs), 12 (Kirkton Avenue), 13 (Queen's Links), 15 (CAB) (resolution B only), 17 (Tendering for ACC Services), 18 (Retail Rocks), 21 (Westburn Park), 24 (General Fund – Employment Costs), 28 (Third Tier III Health Gratuity), 33 (Frederick Street), and 34 (Financial and Performance Monitoring and Reporting to Committee) from the list; and
- (ii) in relation to item 16 of the list (Altens Community Centre), to request that the Director of Education, Culture and Sport ascertain as to whether a response to the officer's letter had been received to date, and advise members of the Committee in this regard.

MOTIONS LIST

6. 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.

DECLARATIONS OF INTEREST

Prior to the consideration of the following article, certain members of the Committee declared non financial interests in the subject matter of the report. As a result of the interests declared, a number of members left the meeting, taking no part in the Committee's deliberations on the matter and were replaced by substitutes. The declarations were received from the Vice Convener (as a member of the Appeals Committee), who was replaced by Councillor Corall; Councillor Cormack (as Convener of the Appeals Committee) who was replaced by Councillor Greig; Councillor Dunbar (as a member of the Appeals Committee, who was replaced by Councillor Jaffrey; Councillor McCaig (as a member of the Appeals Committee), who was replaced by

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Councillor Noble; and Councillor John West (as a member of the Appeals Committee), who was replaced by Councillor Cormie.

A number of members declared interests and chose not to withdraw from the meeting, namely Councillor Farquharson (as a member of the Appeals Committee); Councillor Laing (as a member of the Appeals Committee); Councillor Crockett (as a member of the Appeals Committee and Unite (who formed part of the deputation before the Committee)); Councillor Graham (as a member of Unite (who formed part of the deputation before the Committee)); Councillor Kiddie (as a retired member of Unison (who formed part of the deputation before the Committee)); the Convener (as a member of Unison (who formed part of the deputation before the Committee); and Councillor Yuill (as a member of Unison (who formed part of the deputation before the Committee)).

Following the declarations of interests from members and also from certain individual staff members who withdrew from the meeting in terms of Standing Order 25, the Convener requested that appropriate officers carry out a review of the rules and regulations surrounding the declaration of interests when dealing with Council specific matters such as the employment costs report, as these may become more prevalent given the present economic climate, and to report thereon to a future meeting of the Committee.

EMPLOYMENT COSTS (CG/10/128)

7. Reference was made to the decision of the Council (article 2 of the minute of meeting of 11 February, 2010 refers) that in relation to the General Fund Revenue Budget, the Head of Human Resources and Organisational Development in conjunction with the Head of Legal and Democratic Services, review the Council's employment costs, looking at reducing agency costs, new ways of working, giving employees flexibility on working hours wherever possible, assessing pay awards and pay scale increments. It was further resolved that the review of such costs be undertaken in conjunction with widespread consultation with the Council's employees and the Trades Unions and that their views inform the recommendations to be brought back to the relevant Committee. The Committee now had before it a report prepared by the Director of Corporate Governance on the subject. The earlier decision taken at the meeting to hear a deputation comprising representatives from Unison, GMB and TGWU/Unite unions was also pertinent to this matter (article 1 of this minute refers).

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The Convener having invited the deputation to address the Committee, the members heard Karen Maxfield (Secretary of the local Unison branch), Mike Middleton (GMB Convener), and Tommy Campbell (Regional Organiser for Unite), who each spoke, and between them highlighted the moral and legal issues arising from the proposal before the Committee, that the Council defer payment of the pay scale increments due to staff with effect from 1 April, 2010. The suggestion was clearly made that such action may be discriminatory given the high proportion of female staff affected. The deputation emphasised the inevitability of industrial appeals in response to the action, all of which would involve costs for the Council and questioned the robustness of the legal advice upon which the proposal was based. The resultant effect on staff morale and industrial relations generally was also raised within the report as was the likely impact on the Council's reputation and the simple unfairness of the proposal for hardworking staff who signed their new contracts in good faith only one year ago. The deputation concluded their address to the Committee with a reference to the fact that direct industrial action could not be ruled out should the proposal to defer the payments be supported.

The deputation having withdrawn, the Committee proceeded to consider the report before it which focused on the need identified during the budget process to find £4.5m of savings from employment costs for the 2010/11 financial year; referred to the fact that a deferral of the pay scale increments normally paid on 1 April, would achieve the saving in full; and made the point that although a great deal of progress had been made over the past two years in steering the Council to a sound financial position, financial pressures over which the Council had no control were signalling a difficult period ahead. The report went on to highlight the likely extent of reductions in grant funding for Councils over the coming four years, the total indicative impact of that on the Council and the need to view the employment costs issue in the wider financial context. The legal interpretation of the increment clause within the employment contract was addressed within the report which also confirmed that it had not been possible to secure collective agreement with the Trades Unions following consultation and that the Unions remained opposed to the proposal.

A risk assessment of proceeding with the increment deferral unilaterally was provided and highlighted within that were officers' views on the type of challenges which the Council could expect and the possible implications should these challenges be successful.

The fact that the proposal being considered involved a deferral of the payments for 2010/11 only was recognised and the report sought to deal with the need to consider the options for 1 April, 2011. The report in this respect referred to the request made during the budget process 2010, for officers to look at new ways of

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working; giving employees flexibility on working hours wherever possible; and assessing pay awards; in addition to the increment issue. Examples of some of these were contained within the report which also commented on the consultation process carried out with Trades Unions and staff generally. The responses on behalf of the Council to the two key questions raised by the Trades Unions, were provided as part of the report. The contrary view of the Trades Unions was also outlined. The response from staff to the consultation exercise having been detailed within the report, it was confirmed that the numerous suggestions received had been circulated to Directors for consideration and reporting back.

The report recommended:-

- (a) that the Committee agrees that given the abnormal financial pressures facing the Council, the increment that was due to be paid from 1 April, 2010 to relevant staff employed under the SJC for Local Government Employees, is deferred until 1 April 2011; and
- (b) that officers enter into further discussions with Trades Unions with a view to reviewing employment costs, including conditions of service, for all employment groups.

The Convener moved, seconded by Councillor Yuill:-
that the report recommendations be approved.

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

- (1) that the Committee recognises that Aberdeen City Council has a loyal and dedicated workforce and agrees to honour its contractual agreement with employees to pay the salary increment as it has done in each preceding year, with costs to be met from reserves; and
- (2) that officers enter into further discussions with Trades Unions with a view to reviewing employment costs, including conditions of service for all employment groups.

At this point Councillor Farquharson attempted to move a further amendment to the effect that recommendation (a) within the report be not approved and that recommendation (b) be amended to read:-

that officers enter into further discussions with Trades Unions with a view to reviewing employment costs and levels, including conditions of service for all employment groups.

The further amendment by Councillor Farquharson did not attract a seconder, however, and therefore fell.

On a division, there voted:- for the motion (10) – the Convener; and Councillors Corall, Cormie, Greig, Kiddie, Jaffrey, Leslie, Noble, John Stewart and Yuill; for the

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amendment (4) – Councillors Cassie, Crockett, Graham and Laing; declined to vote (1) – Councillor Farquharson.

The Committee resolved:-

- (i) to adopt the terms of the successful motion; and
- (ii) to concur with the Convener's request to instruct appropriate officers to carry out a review of the rules and regulations surrounding the declaration of interests when dealing with Council specific matters such as the employment costs report, as these may become more prevalent given the present economic climate, and to report thereon to a future meeting of the Committee.

Councillor Graham intimated in accordance with Standing Order 36(3), that he wished the report on employment costs dealt with in the preceding article to be referred to Council for decision. Councillor Graham was supported by Councillors Cassie, Crockett, Farquharson and Laing in this respect.

DECLARATIONS OF INTEREST

The Vice Convener and Councillor John West declared an interest in the subject matter of the following article by virtue of their position as Council representatives on Sport Aberdeen. Both Councillors withdrew from the meeting and Councillor Corall substituted for the Vice Convener, and Councillor Cormie substituted for Councillor John West.

During the general debate that ensued in relation to the following article, Councillor Graham intimated an interest as a member of the Fairer Scotland Fund Board, but did not leave the meeting. Councillors Crockett and Kiddie also declared interests as members of the Council's Pension Panel but again did not consider it necessary to withdraw from the meeting.

BEACH LEISURE CENTRE – HEATING AND VENTILATION WORKS – (ECS/10/058) AND SPORT ABERDEEN – TRANSFER OF SPORTS SERVICES (ECS/10/059)

8. With reference to article 1 of this minute, and article 13 of the minute of meeting of Council of 19 August, 2009, the Committee had under consideration (1)

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a report by the Director of Education, Culture and Sport on the condition of the heating and ventilation plant at the Beach Leisure Centre which was badly in need of urgent attention following recent frequent breakdowns; and (2) a separate report by the same Director containing updated information on the current negotiations between the Council and the Board of Sport Aberdeen, the arm's length charitable organisation to which certain Council owned sports services were to be transferred for a period of ten years.

As regards the heating and ventilation equipment at the Beach Leisure Centre, the report referred to the condition survey carried out by consultant engineers on the Council's behalf in March, 2009; reminded members of the outcome thereof, ie. that the general condition of the plant was found to be very poor and that, because of access difficulties and issues of scale, the particular components affected would be very difficult to replace or refurbish; and set out the options available to the Council in order to address the matter and which would involve the closure of the facility for a time and a corresponding reduction in income. As part of the report content, the concerns expressed by the Board of Sport Aberdeen as regards taking over responsibility for the Beach Leisure facility in its current condition, were highlighted.

The report on the heating and ventilation plant at the Beach Leisure Centre recommended:-

that the Committee:

- (a) note the situation in relation to the heating and ventilation equipment; and
- (b) approve urgent funding for the necessary works involved from the Capital Plan, when contingencies allowed.

The report in respect of the transfer of Sports Services from the Council to Sport Aberdeen advised that detailed discussions had taken place through the Sports Trust Project Board/Working Group over the past eighteen months, to oversee the transfer process; indicated that as part of those discussions, a number of changes to the specification for the services to be provided, had been proposed; outlined what the changes were; and confirmed that the facilities and services that would now transfer were listed within appendix 2 to the report. The report went on to advise that there were a number of details and issues still to be resolved through further discussion and negotiation prior to the proposed transfer date of 1 July, 2010, but that given the scope of the key principles agreed by the Committee at its meeting on 17 September, 2009, the issues raised were not so significant that they needed to be referred to members. The report concluded with a statement that officers believed that Sport Aberdeen's Corporate Plan demonstrated that the company understood the key elements of operating the Council's Sport Services and had in place workable financial arrangements that would enable the services to be operated and developed in an efficient manner which will help to achieve the

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Council's strategic and financial objectives.

The report on the transfer of sports services to Sport Aberdeen recommended:-

- (a) that the Committee agrees to transfer the Council's sports service to Sport Aberdeen for a ten year period in line with a Transfer Agreement, a Funding and Service Provision Agreement and ancillary documents, on 1 July, 2010 or as soon as possible thereafter;
- (b) that appropriate officers be authorised to continue negotiations with Sport Aberdeen and its advisers over the specific terms of the Transfer Agreement, the Funding and Service Provision Agreement and ancillary documents, between the Council and Sport Aberdeen;
- (c) that the Committee endorses Sport Aberdeen's Corporate Plan for the remainder of 2010/11;
- (d) that the Committee agrees that the Council will pay Sport Aberdeen £5m to operate the Council's Sports Services for 2010/11 (based on a total annual cost of £6.3m);
- (e) that the Committee confirms that it will act as guarantor for Sport Aberdeen in relation to the pension fund and in the event that Sport Aberdeen should cease to exist, will guarantee up to £295,000 as required to meet these liabilities; and
- (f) that the Committee agrees that the Council will meet any costs arising from outstanding contractual or employment issues lodged prior to the date of transfer.

At this point in the meeting and in accordance with the earlier decision on deputations (article 1 of this minute refers), the Committee welcomed a deputation from the Northfield Community Council who wished to address the members regarding Northfield Swimming Pool and the difficulties being experienced by ordinary members of the public who are not members of a swimming or other club, in gaining access to the pool at times when public sessions might be anticipated, for example, on Saturday or Sunday afternoons.

The Committee heard from Mr Keith Paterson and Mr Kevin Wallace, after which members were invited to ask questions firstly of the deputation and secondly of Council officers.

The Director of Education, Culture and Sport alluded to the fact that a number of Directors of Sport Aberdeen had recently resigned, and advised that the posts were currently being advertised, and that she hoped the new Directors would be in place in a matter of weeks. When questioned by members, Mrs Bruton advised that the Board was competent in terms of its constitution in its current form (ie there being currently only four Directors, with three of these being Councillors).

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With reference to page 315 of the report, the Committee queried whether members of the public would continue to have access to the cricket pitch at Duthie Park. The Director undertook to have this assurance written into the Council's Service Level Agreement with Sport Aberdeen.

The Convener moved, seconded by Councillor Yuill:-

- (i) that the content of the report on the Beach Leisure Centre be noted;
- (ii) that the Council agrees in principle to meet the cost of replacing the heating and ventilation equipment at the Beach Leisure Centre to give the Board of Sport of Aberdeen the comfort it requires, and remits to the Education, Culture and Sport Committee to consider reviewing its capital programme to meet the expenditure involved (estimated to be up to £1.5m);
- (iii) that the recommendations contained within the report on the transfer of Sports Services from the Council to Sport Aberdeen be approved;
- (iv) that Tullos Swimming Pool be removed from the list of properties to be transferred to Sport Aberdeen, as a report on this matter would be considered at a later point in the meeting (article 34 of this minute refers); and
- (v) that Sport Aberdeen be requested to enter into consultation with the local community and local members with a view to the provision of public swimming sessions at Northfield Swimming Pool at times when the community are most likely to want to use the pool.

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

- (i) that the Committee does not agree to transfer the Council's sport services to Sport Aberdeen until the appointment of a range of suitable, acceptable and representative independent Directors, meeting the requirements of best practice in government; and for clarity, no decision on changes on provision will be made until a further report is presented to Council; and
- (ii) that appropriate officers be instructed to identify funding from the Capital Programme to meet any costs incurred by the Council arising from the delayed transfer.

On a division, there voted :- for the motion (10) – the Convener; and Councillors Corall, Cormack, Cormie, Dunbar, Kiddie, Leslie, McCaig, John Stewart and Yuill; for the amendment (5) – Councillors Cassie, Crockett, Farquharson, Graham and Laing.

The Committee resolved :-

- (i) that the successful motion be adopted; and
- (ii) to note that the Director of Education, Culture and Sport undertook to ensure that written into the Service Level Agreement with Sport Aberdeen, would be

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an assurance that members of the public would continue to have access to the cricket pitch at Duthie Park.

ABERDEEN ART GALLERY REDEVELOPMENT (ECS/10/054)

9. The Committee had under consideration, upon a remit from the Education, Culture and Sport Committee (article 14 of the minute of meeting of 27 May, 2010 refers), a request to fund the cost of the Conservation Statement (estimated to be £19,644 plus VAT), required as part of a Stage One Application to the Heritage Lottery Fund, in relation to the proposed redevelopment of Aberdeen Art Gallery. The report by the Service Director which had been considered by the Education, Culture and Sport Committee, together with the minuted article in respect thereof, had also been circulated.

The Committee resolved:-

to agree the request and to authorise appropriate officers accordingly.

PARKING ENFORCEMENT (EPI/10/164)

10. The Committee had under consideration, upon a remit from the Enterprise, Planning and Infrastructure Committee (article 31 of the minute of meeting of 31 May, 2010 refers), the resolution of that Committee to authorise in principle the setting of an £80 penalty charge for illegal parking in anticipation that the Scottish Government will implement proposals (currently the subject of consultation) to increase the penalty charge from £60 to £80, in an effort to secure a high level of compliance with parking regulations and the self financing of the parking enforcement system.

The Convener, seconded by Councillor McCaig, moved:-

that the Committee endorses the decision of the Enterprise, Planning and Infrastructure Committee in this matter.

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

that the Committee does not approve the request of the Enterprise, Planning and Infrastructure Committee to ratify their decision to set an £80 penalty charge for illegal parking until such a time as collection rates improved.

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On a division, there voted:- for the motion (11) – the Convener, the Vice Convener; and Councillors Cormack, Dunbar, Farquharson, Kiddie, Leslie, McCaig, John Stewart, John West and Yuill; for the amendment (4) – Councillors Cassie, Graham, Laing and Young.

The Committee resolved:-

to adopt the terms of the successful motion.

EXCHEQUER HOUSE

11. The Committee had under consideration, upon a remit from the Marischal College Advisory and Monitoring Working Group (article 2 of the minute of meeting of 26 May, 2010 refers), the suggestion that whilst the lease of Exchequer House by the Council was operational, the property be maintained as a utilised asset for frontline operational needs; and further that Spring Garden be retained as a Council asset in the medium to long term.

The Committee were advised that the discussion by the Working Group was in the context of “Offset Property Matters” which provided members with an overview of current issues as they relate to the various sites represented as affected by the Marischal College Initiative.

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

that the Committee express their agreement with the views of the Marischal College Advisory and Monitoring Working Group in this matter; and therefore agree to (1) maintain Exchequer House as a utilised asset for frontline operational needs; and (2) retain Spring Garden as a Council asset in the medium to long term.

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

that no action be taken on this matter until the report, as presented to the Marischal College Advisory and Monitoring Working Group, is brought before this Committee for consideration.

On a division, there voted:- for the motion (11) – the Convener, the Vice Convener; and Councillors Cormack, Dunbar, Farquharson, Kiddie, Leslie, McCaig, John Stewart, John West and Yuill; for the amendment (4) – Councillors Cassie, Graham, Laing and Young.

The Committee resolved:-

to adopt the terms of the successful motion.

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CORPORATE GOVERNANCE PERFORMANCE REPORT

12. With reference to article 7 of the minute of its meeting of 11 March, 2010 the Committee had before it a report by the Director of Corporate Governance which presented key performance and management information for the Corporate Governance Service.

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

The Committee resolved:-

- (i) to instruct the Director of Corporate Governance to advise Committee members of the number of tenants who are in rent arrears; and
- (ii) to note the information contained within the report.

CORPORATE GOVERNANCE BUSINESS PLAN AND MANAGEMENT STRUCTURE (CG/10/119)

13. The Committee had before it a report by the Director of Corporate Governance which presented the Business Plan for the Corporate Governance Service for 2010/11 – 2012/13 and outlined the management structure in this regard.

The report detailed a number of proposed changes to the structures and establishment of the sections within Corporate Governance, namely (1) Human Resources and Organisational Development; (2) Finance (including Revenues and Benefits); (3) Legal and Democratic Services; (4) Customer Service and Performance; and (5) Central Procurement Unit. To this end, the report proposed that a total of 13 new posts would be required in this structure as follows:

- Corporate Financier
- Service Accountant
- Revenue and Benefits Manager
- Senior Programme Manager
- Community Planning and Corporate Performance Manager
- Supply Chain Manager
- Legal Manager (Policy, Property, Procurement Projects)

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- Legal Manager (Employment, Education, Litigation, Licensing)
- Business Manager
- HR Manager (Planning and Development)
- HR Manager (Client and Corporate Support)
- HR Shared Service Manager
- Corporate Performance Manager

and that the funding for these posts would be delivered within the Directorate's approved budget for 2010/11, and through the disestablishment of a number of posts, namely:

- Personnel Manager
- Corporate Support Manager
- Organisational Development Manager
- Employee Development Manager
- Change Manager x 2
- Business Transformation Team Manager
- Chief Administrative Officer
- Business Transformation Project Leaders x 2
- Customer Relations Management Solutions Analyst
- Information and Research Team Leader
- Projects Manager Post
- Administration Assistant
- Distribution Services Assistant
- Legal Managers x 4

The report advised that there would be a redundancy situation for a number of post holders but until a job matching and advertising process was complete, it would not be possible to identify the number of staff who would be affected in this regard. The report continued that if staff concerned chose not to apply for new posts, or were unsuccessful, the Council would try to mitigate redundancies through redeployment in the first instance.

Appended to the report was the proposed structure for the Services within Corporate Governance. The Business Plan for the Service had been made available online and in the Members' Library.

The Committee resolved:-

- (i) to approve the Corporate Governance Service Business Plan 2010/11-2012/13;
- (ii) to agree to the establishment of 13 new manager posts (as detailed above) reporting to Heads of Service;
- (iii) to agree the disestablishment of 19 posts (as detailed above) to fund the new posts; and

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- (iv) to delegated authority to the Director of Corporate Governance, in consultation with the Convener of this Committee, to implement further restructuring across the Directorate, in accordance with Council policies and procedures for Union and staff consultation.

OFFICE OF CHIEF EXECUTIVE STAFFING STRUCTURE (OCE/10/012)

14. The Committee had before it a report by the Chief Executive which presented the proposed third tier structure for the Office of Chief Executive.

The report advised that the Office of Chief Executive was divided into four sections, namely (1) civic administration (including the Lord Provost's office and the work of the Lord Lieutenancy); (2) elections unit; (3) internal and external communications; and (4) business management supporting the Chief Executive. The Office of Chief Executive currently comprised 25 posts including a Team Manager (Civic Administration) and Communications Manager, both at third tier level. The report proposed that the post of Personal Assistant to the Chief Executive be disestablished, and a post of Business Manager be established to work closely with the Chief Executive and Head of Service to provide business management function and activities for the Office. The report outlined the key tasks that would be associated with the post, and continued that officers in Human Resources and Organisational Development were finalising the job evaluation assessment for the post, the costs for which would be met from within the Office of Chief Executive budget allocation, and from the disestablishment of the Personal Assistant post.

The Committee resolved:-

- (i) to approve the disestablishment of the post of Personal Assistant to the Chief Executive;
- (ii) to approve the establishment of the post of Business Manager;
- (iii) to delegate authority to the Chief Executive in consultation with the Convener, to implement further structural changes below third tier level within the Office of Chief Executive in accordance with Council policies and procedures relating to staff and trades unions consultation.

ACCORD UPDATE REPORT (CG/10/096)

15. With referenced to article 10 of the minute of its meeting of 28 January, 2010, the Committee had before it a report by the Director of Corporate Governance which provided an update on the Accord Scheme.

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The report advised that the Integrated Transport Smartcard Organisation (ITSO) Board (the organisation that provided the secure electronic smartcard environment, within which the Scotland wide bus scheme operated) had expressed their concern over the security of the MiFare smartcard (which was used by all other Scottish local authorities), and the transaction time of the JCOP (Java Card Open Platform) card (currently used by this Council). Both cards were to lose their ITSO certification and a new card type would be required for use by all Scottish local authorities. The planned date for this migration to take place was 31 December, 2010, but officers were pursuing with the ITSO Board, the possibility of this date being moved to 31 December, 2011, which was the date for the MiFare migration. In the case that this amended date for migration be not approved by the ITSO Board, officers suggested as a contingency, the possibility of retaining the existing card beyond 31 December, 2011 through the installation of a new ITSO applet, which would enable the card to meet the required transaction time. A card migration plan would be developed once a decision had been made by the National Entitlement Card Programme Office as to the type of card that would replace MiFare, as this may be the best option for the Council, if it proved to be compatible with the existing applications, services and entitlements held on the card.

In relation to progress made on sQuid (an electronic cash purse), the report advised that the contract had recently been signed and work had commenced on an implementation plan for Aberdeen.

The report continued that the Accord cards for use by secondary school pupils would be ready for the orientation days, to be held in May and June, 2010, with 1,510 applications for a card having been made. The cards would also now have the capacity to add a catering allowance for pupils who were entitled to free school meals.

The report further advised that the card also enabled pupils at Bucksburn Academy to enter the school via the library, through an electronic reader on the door.

Officers in the Accord team had also been pursuing the possibility of allowing users to credit the card via the internet. This would be reported to the Project Steering Group and progressed if approved at this stage.

The report outlined performance information for the period 1 November, 2009 – 31 April, 2010, including (1) the number of new Accord cards produced; (2) the number of replacement Accord cards produced; (3) the number of phone calls and emails dealt with by the Accord team; (4) the number of technical and maintenance calls dealt with.

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With reference to the time and attendance recording of staff at the Crown House through the Accord card (article 8 of the minute of meeting of this Committee of 12 November, 2009 refers), the report updated that this system had been live for ten weeks and was working well. The report further provided an update in respect of the utilisation of the card at the AECC, Frederick Street and Marischal College.

The report concluded to highlighted (a) that the card now offered a discount to young Accord card holders (40% for 12-18 year olds and 20% for 18-26 year olds) for Foyer Music (a facility to allow young people to become involved in music and related activities); (b) that officers were now investigating the possibility of replacing the ACE membership card and Golf Pass and incorporating these into the Accord card as well; and (c) that officers were promoting the card to local licensees as a proof of age card, in accordance with recent legislative changes.

The Committee resolved:-

to approve the progress and developments being made in the advancement of the Accord Scheme.

VARIATION TO CONTRACT – TEMPORARY LABOUR AND PERMISSION TO TENDER THE PROVISION OF TRADES AGENCY WORKERS (CG/10/099)

16. The Committee had before it a report by the Director of Corporate Governance which advised that the Council's contract (in collaboration with Aberdeenshire Council) with Manpower UK Limited for the provision of administration, ICT, technical, care, professional, and trades agency workers was due to expire on 31 August, 2010.

The report continued that a national tender for the provision of temporary and interim staff was currently being progressed by Procurement Scotland (Scottish Government National Contracts), which would result in eight national framework agreements across a range of staff categories. Trades workers would fall outwith the range of these agreements therefore required to be procured under a separate tender exercise. The report concluded that subject to the outcome of the national tender demonstrating best value, the Head of Procurement would recommend migration to the national framework agreements when the current contract expires.

The Committee resolved:-

- (i) to approve a six month extension of the contract with Manpower UK Limited for the provision of administration, ICT, technical, care, professional, and trades agency workers, and in accordance with Standing Order 1(6)(i), to sanction that such extension shall be exempt from Part A of the Standing

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- Order;
- (ii) to approve the adoption of the Scottish Government's national contract for temporary labour from 1 March, 2011;
 - (iii) to instruct the Central Procurement Unit to conduct a competitive tendering exercise in line with Council Standing Orders, Financial Regulations and EU Legislation for the provision of trades agency workers; and
 - (iv) to instruct that the Head of Procurement and Head of Human Resources and Organisational Development, in consultation with the Head of Finance and Head of Legal and Democratic Services, following the tender exercise, appoint a supplier to provide trades agency workers.

TREASURY MANAGEMENT POLICY AND STRATEGY (CG/10/105)

17. With reference to article 17 of the minute of meeting of the former Resources Management Committee of 5 May, 2009, whereby members approved the Treasury Management Policy for the Council; article 11 of the minute of meeting of the former Resources Management Committee of 16 June, 2009; and article 13 of the minute of its meeting of 10 December, 2009, the Committee had before it a report by the Head of Finance which outlined the Treasury Management Policy and Strategy for 2010/11 – 2012/13.

The report explained that Councils were required to have regard to the Prudential Code when carrying out their duties, in accordance with part 7 of the Local Government Scotland Act 2003, that treasury management should be carried out in accordance with good professional practice, and that the Council must comply with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Treasury Management in the Public Services. The proposed Treasury Management Policy statement was appended to the report.

The report reminded members that the new investment regulations, prepared by the Scottish Treasury Management Forum Executive and CIPFA, granted authorities additional investment powers. These regulations had now been finalised and approved by the Scottish Government, and that in accordance with them, the proposed Borrowing and Investment Strategy for 2010/11 – 2012/13 was also appended to the report. This appendix also listed permitted investment instruments identified for use in the financial years 2010/11 – 2012/13. The Council's Counterparty list was detailed at appendix 3 to the report.

The report further advised that in complying with the Prudential Code, the Council had to set a number of Prudential Indicators, which included a number of Treasury Management indicators for external debt. The report explained that the Prudential

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Code stated that it would probably not be significant if the operational boundary was breached temporarily on occasions due to variations in cash flow, however, a sustained or regular trend above the operational boundary would be significant and should lead to further investigation and action as appropriate. The report stated that the Council had in place an early warning system to highlight when an indicator was likely to be breached, and no indicators had been breached during financial year 2009/10. The Head of Finance added that if a breach were to occur, this would be reported to this Committee with an explanation.

The report concluded that HM Treasury had a reserve power to limit local authority borrowing for national economic reasons; legislation specified that any such national limit would be used to protect the country's economic interest if local borrowing under the Prudential Code were to be unaffordable nationally. In principle, a national limit could be set at any point during any financial year and any such national limit would be implemented based on local authorities' outstanding borrowing with all future borrowing being reduced proportionately. Officers advised that there were no known plans for the introduction of a national limit at this time.

The Committee resolved:-

- (i) to approve the Council's Treasury Management Policy Statement for 2010/11 to 2012/13;
- (ii) to approve the Council's Borrowing and Investment Strategy for 2010/11 to 2012/13; and
- (iii) to approve the revised Counterparty list as detailed at appendix 3 to the report.

ABERDEEN CITY COUNCIL CHARITABLE TRUSTS (CG/10/125)

18. Reference was made to article 21 of the minute of meeting of this Committee of 17 September, 2009, whereby officers were instructed to write to the Scottish Government to ascertain whether it would be possible for the Council to amalgamate all charitable trusts with assets of £20,000 or less, in order to create a worthwhile fund for the citizens of Aberdeen, and to report back thereafter. Further to this meeting, officers had advised that the appropriate body to contact on this issue would be the Office of the Scottish Charity Regulator (OSCR), rather than the Scottish Government. The Committee had before it on this day the report as requested at the aforementioned meeting.

The report advised that officers had written to the OSCR as instructed, and had received a response that indicated that the proposal was acceptable in principle, and that a new trust should be set up in the first instance, to which the assets of the

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other charitable trusts could then be transferred. It was therefore proposed that a trust be established for the benefit of the citizens of Aberdeen, with the specific charitable purposes matching those of the existing charitable trusts which were to be transferred into it; and for members of this Committee to be the trustees. It was explained that once this new trust was established, it would be necessary to write to the OSCR to disestablish each of the existing charitable trusts with assets below £20,000 and to transfer the said assets to the new trust.

The OSCR had requested that this work be undertaken in batches to take account of their staff's workload, so it was unlikely that this exercise would be completed by March, 2011.

The report continued that returns for the charitable trusts would require to be presented to the OSCR for the year to 31 March 2010, and as the amalgamation process would only commence further to this report being approved, these would be in a similar form to those presented last year. It was intended that individual trustee reports would be presented for those charitable trusts where amalgamation was not being considered and a single trustee report would be provided to cover charitable trusts due to be amalgamated. In addition, and to ensure compliance with the OSCR requirements, it was proposed that the status of all of the charitable trusts be reviewed as part of this process. If thought appropriate, proposals would be submitted to committee for approval to remove them from the charity register, or to transfer their assets to another more relevant external charitable body.

Appended to the report were details of the assets, which were subject to audit, of all the charitable trusts under review showing the value of their asset as at 31 March, 2010.

The Committee resolved:-

- (i) to note the actions taken by officers to date;
- (ii) to approve the outline proposals for a new charitable trust to be established, with the members of this Committee as trustees;
- (iii) to approve the transfer of charitable trusts with assets of less than £20,000 into the new trust;
- (iv) to note the likely timescales for completion of the work; and
- (v) to approve the outline of actions proposed by officers within the report to take matters forward.

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ANNUAL HOUSING AND COUNCIL TAX BENEFIT REPORT (CG/10/117)

19. The Committee had before it a report by the Director of Corporate Governance which detailed the performance of Housing and Council Tax Benefit during 2009/10, by way of an annual report.

The annual report, which was appended to the report, also set out the key priorities for 2010/11.

The Committee resolved:-

to instruct that an annual report be submitted to this Committee in June each year, which should detail the previous financial year's Housing and Council Tax Benefit Service.

FINANCIAL REGULATIONS – UPDATE (CG/10/127)

20. The Committee had before it a report by the Director of Corporate Governance which presented an updated version of the Financial Regulations in accordance with Standing Order – Finance 9(3).

The Regulations had been updated to reflect Service, committee and management structure changes to the organisation and were appended to the report.

The Committee resolved:-

to approve the updated Financial Regulations.

APPLICATIONS FOR FINANCIAL ASSISTANCE 2010/11 (CG/10/120)

21. With reference to article 22 of the minute of its previous meeting, the Committee had before it a report by the Head of Finance which presented an application for financial assistance from Dancesport Scotland for the Northern Trophy Day at the Beach Ballroom on 3 October, 2010.

The report advised that the request could be met from the uncommitted budget remaining.

The Committee resolved:-

to award £800 to Dancesport Scotland.

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APPLICATION FOR YOUTH ACTIVITIES SMALL GRANTS FUND 2010/11 – ROUND 1 (ESC/10/057)

22. With reference to article 25 of the minute of its meeting of 10 December, 2010, the Committee had before it a report by the Director of Education, Culture and Sport which presented the recommendations of the Youth Activities Grant Funding Group for the first round of funding for the financial year 2010/11, which had a closing date of 30 April, 2010.

The report advised that twenty four new applications had been received this round, and twenty one recommendations for funding had been made by the Youth Activities Grant Funding Group. The report continued that the total sum recommended for approval was £24,696, and that if the recommendations outlined were approved there would be an uncommitted budget of £25,304 remaining.

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

The Committee resolved:-

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

Group Name	Summary of Application	Decision
Don Swimming Club	To fund bus and pool hire to attend a swimming competition in Inverness.	to award £1,227
Young LGBT Group	To allow young LGBT people to plan and organise their own events and activities.	to award £739
Transition Group – Middlefield Youth Flat	To fund the cost of a trip to Edinburgh for 8 young people.	to award £1,175
Noble Brothers' Productions	To purchase a sound microphone and adaptor.	to award £1,360
East End Girls FC	To fund the cost of good indoor training facilities, based in a central location with high quality coaches.	to award £1,500
SHMU FM Youth Radio Project	To fund team building activities over summer recess	to award £825

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Group Name	Summary of Application	Decision
	at Aberdeen Sports Village.	
Girls Only SHMU	To purchase equipment to enable better quality productions to be produced.	to award £1,490
SHMU Train – Torry Academy	To purchase media technology equipment.	to award £1,500
21 st Aberdeen (Cults) Scouts	To part fund a return trip to Gomel.	to award £350
Craiglea Children's Centre	To purchase fishing equipment.	to award £1,500
Stoneywood/Dyce Cricket Club	To purchase a mobile cricket net cage for practice sessions.	to award £1,480
Dee Boys' Club	To fund the cost of a new fence around football pitches.	to award £1,500
Powis Gateway Community Centre	To fund the cost of setting up a youth computer facility at Powis Gateway Community Centre.	to award £1,380
St Machar Academy 2010/11 Citizenship Group	To fund the cost of this group taking part in the Youth Achievements Awards.	to award £1,270
Trinity Court Tenant Group	To fund the cost of the Tenant Group to take part in activities and workshops.	to award £1,500
Sensory Support Service Peer Support Group	To enable young people with hearing loss and visual impairment to take part in activities with others who face similar challenges.	to award £1,500
Bucksburn Academy's Environmental Group	To fund the cost of a safe route/path to school and to build a wildlife area.	to award £1,500
St Machar Academy's Environmental Studies Class	To fund the cost of improvements to the school grounds in relation to the quality of the environment.	to award £1,400
Aberdeen Scout Network	To fund the cost of a trip to Kenya for 5 days to volunteer at an orphanage.	to award £1,500

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and

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

**OLDMACHAR HEATING, VENTILATION AND AIR CONDITIONING
REFURBISHMENT (EPI/10/166)**

23. Reference was made to article 2 of the minute of meeting of the Council meeting of 11 February 2010 (appendix 3, page 2283 refers), whereby the capital budget was approved, which incorporated funding for replacement heating, ventilation and air conditioning (HVAC) systems at Oldmachar Academy. The Committee now had before it a report by the Director of Enterprise, Planning and Infrastructure, which brought to the attention of members the financial requirements in relation to the necessary work associated with the upgrading and refurbishment of the HVAC systems at the school.

By way of background the report advised that the original HVAC system had been introduced when the school had been constructed. There had been a number of complaints made by staff and pupils, and an independent survey had indicated that there were major problems with the temperature control and circulation of air throughout the school.

Further to the aforementioned meeting of Council, the specification had been tendered, however, due to the limited time available to complete the works during the school holidays, the prices received had been unaffordable, and further contained a high risk that the works could overrun. Officers reviewed the scope of works, and proposed that the project be split into two phases, whereby the second phase would entail works of lesser priority than the initial phase.

The report explained that due to the fact that the scheme was allowing more effective and efficient controls of heating, it would be eligible for funding from the Central Energy Efficiency Fund. This was a spend to save initiative where monies saved in terms of energy efficiency were invested back into the fund, which in turn allowed more schemes to be funded. A project was considered eligible if it could repay any grant within five years, and it was considered by officers that efficiencies of £21,000 per annum could be achieved through this scheme, with modifications to existing systems being undertaken.

The report concluded that based on the original tender and the revised costs for phase one of the HVAC project, it was estimated that phase two would cost £350,000, and proposed that this be evaluated as part of the development of the

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future non housing capital programme of works and the Corporate Asset Management Plan.

The Convener congratulated officers for their lateral thinking which had enabled this project to proceed.

The Committee resolved:-

- (i) to acknowledge the funding arrangements put in place to deliver the first phase of the replacement heating, ventilation and air conditioning system within Oldmachar Academy, for which the contract had been awarded to allow works to be undertaken during the course of the school summer holidays; and
- (ii) to agree to consider the funding required to complete the second (and final) phase, as part of the non housing capital programme review for 2011/12, and future years as part of the Council's asset management plan.

MATTER OF URGENCY

The Convener intimated that he had directed in terms of Section 50(B)(4)(b) of the Local Government (Scotland) Act 1973 that the following report be considered as a matter of urgency in order to ensure that the Council's statutory duties were met in relation to Kinship Carers.

KINSHIP CARE SERVICE – BUSINESS CASE

24. Reference was made to article 10 of the minute of meeting of the Social Care and Wellbeing Committee of 3 June, 2010, whereby officers had been instructed to submit a business case to this Committee in relation to posts that were to be created as part of the Kinship Team. The Committee had before it on this day the said business case.

The business case advised that 5.5 full time equivalent posts would be required (two Social Workers, two Family Resources Workers, and 1.5 Administrative Assistant), and that the posts would undertake a statutory function in the assessment, approval, and support provided to Kinship Carers.

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The report recommended:-

that the Committee approves the establishment of 5.5 full time equivalent posts as follows:- 2 x Social Worker; 2 x Family Resources Worker; and 1.5 x Administrative Assistant.

The Committee resolved:-

- (i) to approve the posts outlined above on a one year fixed term basis;
- (ii) to instruct that officers report back, reviewing the situation when required; and
- (iii) to instruct officers to write to the Scottish Government and conduct talks with CoSLA about reducing the bureaucracy associated with the Kinship Carers scheme.

POLICIES UPDATE REPORT (CG/10/123)

25. The Committee had before it a report by the Director of Corporate Governance which presented revisions and updates on four Council policies and procedures.

The report outlined the amendments that had been made to the policies, namely (1) Maximising Attendance; (2) Managing Work Performance; (3) Managing Substance Misuse; and (4) Managing Redundancy, and appended full, updated versions in each case.

The main features and amendments to the policies and procedures were outlined as follows:

- Managing Attendance Policy - (1) trigger levels would now be three occasions, with a total of 10 days lost to sickness absence over twelve months and five occasions with a total of 15 days lost to sickness absence over 24 months; (2) managers had a clear responsibility to apply the policy and manage the attendance of their staff, and where this did not happen they would be subject to performance management measures; (3) provision was included within the policy to state that in a circumstance where following a review period where an employee came out of formal procedure then had further sickness, they would go back to the stage at which they left the procedure; (4) when an employee hit the trigger, the formal process would be automatically activated; (5) a process named Employee AIDE (absence involving domestic emergencies) was to be introduced to recognise that an employee may find themselves in a situation where they need to take time away from work to deal with non work emergencies, and to avoid this being reported/recorded as sickness, managers would be allowed to approve

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appropriate time off or allow for time off to be worked back; (6) a process to deal with non attendance due to short term sickness absence, without an underlying medical cause, under a 'conduct or some other substantial reason' route was introduced; (7) the process to deal with non attendance due to short term sickness absence, with an underlying medical cause, under a 'capability' route was included; (8) a supportive and understanding approach to employees who suffer from an underlying medical cause was encouraged; (9) it was made clear that the outcome of the first two stages of the short term processes could be a caution to improve attendance and review period, and the third and final stage (the Capability Hearing) could result in the dismissal of the employee; and (10) the process to deal with non attendance due to long term sickness absence was made explicit.

- Managing Work Performance – (1) the process had been adjusted with the right to appeal against the action plan being removed; and (2) the previous provision to search for redeployment had been removed, and it was made explicit that unless there was a medical reasons behind the under performance, that improvement within the role would be required.
- Managing Substance Misuse – (1) the policy provided a structure for a supportive and constructive approach to managing substance misuse in line with the Council's legal obligations under the Health and Safety at Work Act 1974 and Misuse of Drugs Act 1971; (2) employees must attend work free of the affects of alcohol and/or substances; (3) the substances that were covered by the policy and procedure were defined, including alcohol; (4) it was made clear that employees must notify their manager if they were taking prescribed medication which may impair their ability to undertake their duties safely and effectively; (5) an explanation was provided with regard to the responsibilities of managers and employees in the management of alcohol or substance; (6) the possible referral routes were outlined and it was explained when it was appropriate to follow each route, depending upon how the substance misuse issue had been discovered; (7) the supporting provisions that were available and when these should be put in place were detailed; (8) clarification was provided on how and when management of substance misuse may integrate with the implementation of the Managing Discipline, Managing Work Performance or Managing Attendance Policies; (9) the circumstances when testing for alcohol or substances may occur were fully explained; and (10) information was provided on sources of support, sensible drinking limits and recognising alcohol and/or substance misuse.
- Managing Redundancy – (1) the selection criteria were amended to be as objective as is possible, in line with the legal requirements; (2) the process had been amended to apply the competencies identified in the person specification; and (3) details of the simplified consultation process were provided.

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The Committee resolved:-

- (i) to approve the revisions and updates to the four policies, as appended to the report (Maximising Attendance – appendix 1; Managing Work Performance – appendix 2; Managing Substance Misuse – appendix 3; and Managing Redundancy – appendix 4); and
- (ii) to delegate authority to the Director of Corporate Governance to approve minor amendments to the wording of the Maximising Attendance and the Managing Substance Misuse policies, following ongoing consultation with Trades Unions representing teachers to ensure that these policies are consistent.

THIRD TIER ILL HEALTH GRATUITY (CG/10/124)

26. Reference was made to article 25 of the minute of its meeting of 11 March, 2010 whereby officers were instructed to report back in much more detail in order for a final decision to be taken with regard to the application or otherwise of the Third Tier Ill Health Gratuity. The Committee had before it on this day the said report which advised that there had been four ill health capability dismissals in 2008, six in 2009, and three to date, in 2010.

The report continued that officers believed it was likely that these numbers would increase in the future with the Council having to improve its performance around managing attendance. The report estimated that if there were six cases per annum, with each employee earning £27,000 and having 30 years continuous service, the annual cost to the Council would be over £90,000; and reiterated that the cost would vary each year, dependant on the number of employees eligible and their length of service.

The report proposed that criteria be applied in relation to this Gratuity to employees who are not able to meet their contractual commitment to attend work due to long term ill health as follows: (1) the employee must be a member of the Local Government Pension Scheme with a minimum of two years' membership in the scheme; (2) the Council's Occupational Health Provider must determine that the employee's medical condition does not qualify for a Tier 1 or Tier 2 Ill Health retirement recommendation; and (3) the reason for the capability dismissal was due to a continued period of long term sickness absence immediately prior to the decision to dismiss due to an underlying medical condition (the payment would not be appropriate where an employee had short term persistent sickness, even where there was an underlying medical cause).

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The Committee resolved:-

- (i) to apply its discretion provided in the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Amendment Regulations 2009, to make Third Tier III Health Gratuity in accordance with the criteria outlined within the report;
- (ii) that the Third Tier III Health Gratuity should be one week's pay for each year of continuous service up to a maximum of 30 weeks;
- (iii) that any associated costs were required to be contained within the Service budgets; and
- (iv) to instruct that each time a Gratuity is made, that a report be submitted to this Committee detailing the case.

PAY PROTECTION ARRANGEMENTS – REVIEW (CG/10/129)

27. The Committee had before it a report by the Director of Corporate Governance which proposed a revised policy on the application of pay protection for employees who may be matched to a lower paid position during the restructuring of Services.

The report explained that there was already a national agreement in place with regard to employees adversely affected through the Equal Pay and Modernisation process, but that with Directors currently seeking approval from their Service Committees for authority to make changes to the staffing establishment below senior management level, there was a requirement to clarify the position for employees who may be affected during this process.

The Committee resolved:-

- (i) to approve the revision of the current pay protection arrangements so that (1) the existing Equal Pay and Modernisation arrangements remain unaltered; (2) the authority to agree the ongoing provisions of pay protection be delegated to the Chief Executive and the Director of Corporate Governance in consultation with the Convener of this Committee; and (3) all employees who are job matched into lower paid positions resulting from the recently approved restructuring, will be subject to the protection arrangements as detailed at (2) above; and
- (ii) to instruct that officers report back with an update on this policy in due course.

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VICTORIA HOUSE, WEST NORTH STREET – FUTURE USE (EPI/10/169)

28. Reference was made to article 26 of the minute of meeting of the Finance and Resources 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 the current status of a number of surplus Council owned properties, one of which was the former social work hostel premises at Victoria House, West North Street, Aberdeen in respect of which an interest had been expressed by a Council Service that the property be identified for use as a Housing Access Centre. The Committee now had before it a further report from the said Director containing an update on the situation and a recommendation that the property be transferred from the General Services Account (GSA) to the Housing Revenue Account (HRA).

The report before members made reference to the approval by the Housing and Environment Committee at its meeting of 16 February, 2010 (article 23 refers), of the recommendations contained within the Homelessness Accommodation Feasibility Study undertaken on the Council's behalf by external consultants, which were to develop the preferred long term option and provide a purpose built Housing Access Centre on the site of Victoria House. The report also referred to the value assessed by the Council's external property contractors at which the subjects could transfer between the GSA and HRA, following which the buildings on the site, now derelict, would be demolished to make way for the proposed Centre which would comprise twenty flats, ten temporary accommodation units for the homeless plus office accommodation for thirty staff members within the Housing and Community Safety Section of the Service. It was confirmed that a further report on the matter was to be submitted to the meeting of the Housing and Environment Committee to be held on 24 August, 2010.

The Committee resolved:-

that the Head of Finance be instructed to conclude the transfer of the property, Victoria House, West North Street, Aberdeen, from the General Services Account to the Housing Revenue Account, including the obtaining of Scottish Minister approval, if necessary, and subject to the approval of the Housing and Environment Committee at its meeting on 24 August, 2010.

WOOLHILLOCK CROFT, CARNIE, SKENE (EPI/10/173)

29. The Committee had under consideration a report by the Director of Enterprise, Planning and Infrastructure relative to the Council owned property and land at Woolhillock Croft, Carnie, Skene, following the death of the Council tenant

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and receipt from the tenant's executors of notice that the lease be brought to an end.

The report before members (1) contained a description of the property in question and its location within the administrative area of Aberdeen City Council; (2) advised that the Croft was part of the Lands of Skene which extended to some 260 hectares to the south and west of Westhill, land held by the Council on Common Good/Trust Funds Accounts; (3) highlighted certain unusual features of the lease which officers felt justified a more considered analysis of the options available to the Council as a way forward; (4) advised also of the valuation assessments provided for the site by the Council's external property contractors, taking into account certain assumptions; (5) outlined the planning policy considerations arising within the current development plan and the potential situation should changes occur in the future; (6) set out a number of options based on the advice received; and (7) concluded that the best option at this time was to lease the property on a five year Short Limited Duration Tenancy, thereby leaving the way open for the Council to reconsider its options should the planning designation of the site be changed.

The report recommended:-

- (a) that the Committee instructs the Head of Asset Management and Operations to advertise and then lease, Woolhillock Croft on a five year Short Limited Duration Tenancy; and
- (b) that the Head of Legal and Democratic Services be instructed to formally conclude the lease entered into on terms and conditions as necessary to protect the Council's interests.

The Committee were advised at this point that the Guildry and Mortifications Funds Board at its meeting on 14 June, 2010 (article 2 refers), agreed with this option as recommended by officers.

The Committee resolved:-

to approve the recommendations.

**QUALITY AND PRICE CRITERIA IN THE EVALUATION OF TENDERS
(CG/10/115)**

30. Reference was made to article 40 of the minute of meeting of this Committee of 11 March, 2010 whereby officers were instructed to prepare a report on the introduction of a quality/price basis for assessment and award of competitive tenders. The Committee had before it on this day the report requested by members.

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The report advised that for legal requirements, tenders must be undertaken in two stages, namely selection and award. With regard to the selection process, under the Public Contracts (Scotland) Regulations 2006 (the 2006 Regulations), contracting authorities may require bidders to satisfy minimum levels of economic and financial standing, and/or technical ability. Contracting authorities should also check that no bidders meet the mandatory or discretionary rejection factors stated within the 2006 Regulations. Any selection process would be undertaken by means of the pre qualification questionnaire where the restricted procedure would be used, and within the invitation to tender when the open procedure would be used. The selection stage focused on the supplier's characteristics and suitability in principle to satisfy the contracting authority's requirement. Contracting authorities must use the selection phase to identify the bidders who will go on to have their tenders evaluated at the award stage.

The invitation to tender (ITT) is the award stage, and at this point all remaining bidders will have satisfied the selection criteria and will have been assessed as being qualified to perform the contract. The award stage must focus on the tenders rather than the tenderers. There would be two grounds for awarding a public contract under the 2006 Regulations, namely (1) the lowest price, where the lowest priced tender wins and no other element of the tender may be taken into account; or (2) the most economically advantageous tender (MEAT), where other criteria, or criteria in addition to price, like quality, technical merit and running costs could be taken into account.

Where MEAT is chosen, award criteria must be linked to the subject matter of the contract and would include:

- quality
- price
- technical merit
- aesthetic and functional characteristics
- environmental characteristics
- running costs
- cost effectiveness
- after sales service
- technical assistance
- delivery date and delivery period
- period of completion.

The report proposed that the Council should use MEAT for the majority of procurements as there were very few purchases where the Council would not wish to evaluate a quality element. The report did suggest however, that when

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purchasing simple commodities (off the shelf), lowest price evaluation may be appropriate. Evaluation on the basis of price alone may also be appropriate in the procurement of specific works contracts where the bill of quantities or schedule of rates was so prescriptive and detailed as to the quality standard, that lowest price could be applied.

The report highlighted that when setting questions for tender evaluation it was important to ensure that there were no questions asked that related to the selection stage. This was because the use of selection criteria such as experience at award stage may perpetuate the advantage of an incumbent or previously used supplier, to the detriment of other qualified tenderers. The report explained that evaluation criteria must treat all bidders equally and should be evaluated in a transparent manner; and criteria must be proportionate and relate to the subject matter of the contract. The report continued that contracting authorities must publish their evaluation criteria and scoring methodology in the ITT and the contract notice inviting expressions of interest; ensure that they follow the methodology set out in the ITT as this could not be deviated from at any point without exposing the contracting authority to the risk of legal challenge; and include any sub criteria within the ITT.

The report explained that tenderers now had enhanced powers to challenge the decisions of contracting authorities, and their success or otherwise in the challenge would be dependant on how robust the Council had been in ensuring all evaluation and award criteria was fair, transparent and proportionate to the need in question.

The Committee resolved:-

- (i) to note the content of the report;
- (ii) to instruct all Services to evaluate tenders on the basis of the most economically advantageous tender (MEAT), using a price/quality matrix, unless there is an approved justification sanctioned by the Head of Procurement and the relevant Head of Service for evaluating solely on the basis of lowest price.

FRAMEWORK AGREEMENTS (CG/10/114)

31. The Committee had before it a report by the Director of Corporate Governance which requested that Services be provided with the opportunity to procure Business Support Services from identified pre tendered framework agreements.

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The report explained that the Public Contracts (Scotland) Regulations 2006, Regulation 2(1) defined a framework agreement as 'an agreement or other arrangement between one or more contracting authorities, and one or more economic operators, which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies'. The report continued that it would be important for Services to consider whether a framework agreement was the right approach for the particular goods, services or works to be purchased, which would require a value for money judgement for the Council, taking account of the type of purchases involved, the ability of the providers on a framework to deliver the requirement, and the ability to specify such purchases with sufficient precision.

The report advised that the Office of Government Commerce (Buying Solutions) had established a full suite of business support services covering a broad spectrum of needs, which were tendered on behalf of all UK public bodies in line with EU Procurement Regulations. The Scottish Government (Procurement Scotland) had also undertaken further similar exercises, for all Scottish public bodies for those areas they had identified that had not been adequately covered by Buying Solutions. Also listed within the identified frameworks, were arrangements through the Improvement Service which had gone through the same tendering process as above.

The report highlighted that this way of working would provide all users with access to a database of identified contracts that had maximised the combined leverage of potential participants in order to provide the most competitive pricing structures available. The use of the frameworks also limited the time and resources spent by internal tendering.

Where the Council's requirements were more specific than those detailed under the framework, 'mini competition' exercises would require to be undertaken between all the providers on the framework agreement to identify the most competitive offering for the Council's requirements, and to ensure that the providers would be in a position to mobilise resources to meet those requirements.

The report concluded that additional requirements that Directors identified to the report author as being required to support delivery of their Services, covered a number of common themes, and in order to address these requirements, access to all Buying Solutions, Procurement Scotland and Improvement Service Frameworks would be available, providing the protocol outlined was followed. In each instance a fast track 'mini competition' between the approved providers on each framework list could be facilitated, where necessary, once the specification and scope of need was ascertained.

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The report recommended:-

that the Committee:-

- (a) approve the action taken by the Head of Procurement to ensure that use of the identified national framework agreements are in full compliance with EU Regulations, Council Standing Orders and Financial Regulations;
- (b) agree the suspension of Standing Orders 75 and 76 to the extent necessary to permit the delegation of powers, to allow the use of the Office of Government Commerce (Buying Solutions), Scottish Government (Procurement Scotland) and the Improvement Service framework agreements, to Service Directors in consultation with the Head of Procurement and Head of Legal and Democratic Services; and
- (c) to instruct that the Head of Procurement administer the central database of approved framework agreements.

The Committee requested clarification in relation to the use of the Standing Orders as detailed above, and the Legal Manager (Policy and Advice) advised that Standing Orders 75 and 76 were no longer in use further to a recent review of the Procurement Standing Orders.

The Committee resolved:-

- (i) to approve recommendations (a) and (c) as detailed above;
- (ii) to agree that the relevant Standing Orders be suspended (if required) to the extent necessary to permit the delegation of powers to allow the use of the Office of Government Commerce (Buying Solutions), Scottish Government (Procurement Scotland) and the Improvement Service framework agreements, to Service Directors in consultation with the Head of Procurement and Head of Legal and Democratic Services, and in consultation with the Convener of this Committee; and
- (iii) to request, in relation to the Procurement Standing Orders that were being reported to the Council meeting of 30 June, 2010, that the Legal Manager (Policy and Advice) makes explicit the use of the suspension of Standing Orders to utilise the use of framework contracts.

REQUEST FOR AUTHORITY TO PROCURE OCCUPATIONAL THERAPY EQUIPMENT (CG/10/106)

32. The Committee had before it a report by the Director of Corporate Governance which requested authority for officers to conduct tender exercises for the provision of general Occupational Therapy (OT) equipment.

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The report outlined the legislation that required the Council to provide and maintain OT equipment; detailed the range of OT equipment that the Council required; and concluded that it was the intention of officers to pursue collaborative tender exercises with public sector partners in order to maximise buying power and improve value for money.

The Committee resolved:-

to instruct the Central Procurement Unit to conduct competitive tendering exercises in line with the Council's Standing Orders, Financial Regulations and European Union legislation, for the provision of Occupational Therapy equipment.

REVIEW OF CASH HANDLING ARRANGEMENTS (CG/10/103)

33. The Committee had before it a report by the Director of Corporate Governance which outlined the review of the Council's cash handling arrangements that was currently being undertaken.

The report proposed that due to cash handling being expensive, that the Council no longer provided a city centre cash office, but outlined that customers could still make cash payments at Customer Access Points in Mastrick, Kincorth and Woodside, at Paypoint outlets and Post Offices within the city, and at Aberdeenshire Council outlets. The Council was encouraging customers to pay by Direct Debit, electronic payment (through the website or telephone) or payment card.

The report further proposed that the cash payment service located at the Podium, be not transferred to Marischal College; but confirmed that there would be some cash payment facilities available at Marischal College, including those currently located at The Point.

The Committee resolved:-

- (i) to agree that the cash offices at Bucksburn and Peterculter cease to operate as such with effect from 1 April, 2011 to meet the proposed aim of rationalising the Registrar function within Aberdeen;
- (ii) to agree that no 'physical cash' in relation to rent or Council Tax payments will be accepted at Marischal College; and to note that this would also extend to smaller volumes such as business rates and sundry debts;
- (iii) to instruct that the Head of Finance, the Head of Housing and Community Safety and the Head of Customer Service and Performance examine the options as to whether, in terms of best value, the cash office at Tillydrone should remain open, given the development of the Customer Access Point at

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Woodside.

- (iv) to instruct that a report be submitted at the meeting of 28 September, 2010, outlining progress and confirming the savings to be achieved as a result of this proposed reconfiguration.

INFOSMART FINANCE – CREDITORS PROCESSING (CG/10/104)

34. With reference to article 11 of the minute of its meeting of 28 January, 2010, the Committee had before it a report by the Director of Corporate Governance which updated members on the progress on the creation of a centralised Finance Processing Team (FPT).

The report advised that work had been finalised in relation to the matching pool for the FPT, and it was now clear that due to variances in the information originally provided in 2009, and the recent exercise undertaken for the matching pool, that the number of full time equivalent posts could be reduced from the preliminary figure of twenty five, to sixteen. Staff had now been advised if they had been allocated a job within the FPT, and the team would take up their posts on 1 July, 2010.

The report continued that the rollout of Infosmart across Services would be carried out in a staggered four week rolling plan as follows: Education, Culture and Sport Service – to be completed 23 June; Housing and Environment Service – to be completed 9 July; Office of Chief Executive – to be completed 16 July; Corporate Governance Service – to be completed 23 July; Social Care and Wellbeing Service – to be completed 16 August; and Enterprise, Planning and Infrastructure Service – to be completed 23 August.

The Committee resolved:-

to note the content of the report.

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

In terms of Standing Order 32(1), the Convener invited Councillors Allan and Donnelly to join the meeting for the following item of business only, in their capacity as local members.

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TULLOS SWIMMING POOL – INTERNAL WORKS (ECS/10/048)

35. The Committee had under consideration, upon a remit from the Education, Culture and Sport Committee, (article 16 of the minute of meeting of 27 May, 2010 refers), a request from that Committee to consider urgent funding from the Capital Plan to carry out works to the interior of the Tullos Swimming Pool building in order that it could be brought back to the standard required for use by the general public.

The report which had been considered by the Education, Culture and Sport Committee, had again been circulated to the members of this Committee who also had a copy of the minuted article containing the terms of that Committee's resolution which was to note the progress with work to make Tullos Swimming Pool safe and water tight and the likely costs and implications of the water damage to the building interior. Also circulated to the Committee was a letter to the Convener from Torry Community Council which expressed its dissatisfaction at how the project to repair the Swimming Pool had been handled; brought to the attention of the Committee the lack of swimming pool provision in the south of the city; and highlighted that Tullos Swimming Pool was one of very few shallow pools in the city.

Members expressed their concern that not enough detail was included within the report, and questioned why the repairs had not been carried out at a much earlier date. Councillor Allan presented to the Convener, a petition signed by over 100 people intimating their concern at the threat of closure of Tullos Swimming Pool.

At this point the Convener alluded to the fact that the Service Committee was requesting capital funding in order for the repairs to be undertaken, and expressed his concern in this regard, intimating that Service Committees should be taking ownership of their Non Housing Capital Programmes, and reprioritising their budgets to take account of urgent matters such as this case. He emphasised that there was no leeway in the Capital Plan of Council.

The Committee resolved:-

- (i) that the matter be referred back to the Education, Culture and Sport Committee in order that members may consider the matter as part of a review of the Non Housing Capital Programme for that Service; and
- (ii) to request the Audit and Risk Committee to investigate the matter of the internal works on Tullos Swimming Pool, particularly the costs, delays and inadequate reasoning provided to members in this regard.

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INTEGRATED DRUG SERVICE, TIMMER MARKET SITE – CAPITAL CONTRIBUTION (SCW/10/073)

36. The Committee had under consideration, upon a remit from the Social Care and Wellbeing Committee (article 15 of the minute of meeting of 3 June, 2010 refers), the report to that Committee by the Director of Social Care and Wellbeing relating to the building and future joint operation with National Health Service Grampian of an Integrated Drug Treatment and Rehabilitation Centre on the Timmer Market site in the Castlegate (former Justice Street car park). The resolution of the Social Care and Wellbeing Committee was to approve the report recommendations which included an instruction that the report be referred to this Committee for consideration of the legal implications in drawing up a formal agreement between the Council and NHS Grampian. Also before the Committee was the minuted article of the Social Care and Wellbeing Committee meeting.

The Committee resolved:-

that authority be delegated to the Director of Corporate Governance, the Director of Social Care and Wellbeing and the Head of Legal and Democratic Services, in consultation with the Convener of this Committee and the Convener of the Social Care and Wellbeing Committee, to resolve this impasse and bring the matter to a satisfactory conclusion.

GLASHIEBURN FLOOD PREVENTION SCHEME (EPI/10/156)

37. The Committee had under consideration, upon a remit from the Enterprise, Planning and Infrastructure Committee (article 27 of the minute of meeting of 31 May, 2010 refers), a request from that Committee to consider additional capital funding necessary to progress the works required to complete the Glashieburn Flood Prevention Scheme. An updated version of the report by the Director of Enterprise, Planning and Infrastructure which was before the meeting on 31 May, 2010, was circulated, as was the minuted article from the said meeting which contained a request that officers submit an updated report to this Committee detailing all negotiations and agreements made to date.

The Committee resolved:-

that the matter be referred back to the Enterprise, Planning and Infrastructure Committee in order that members may consider the matter as part of a review of the Non Housing Capital Programme for that Service.

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**MANAGED DATA CENTRE AND VIRTUAL DESKTOP ENVIRONMENT
(CG/10/122)**

38. Reference was made to article 30 of the minute of its meeting of 28 January, 2010, whereby members agreed to proceed to a formal tender for a Managed Data Centre and further to tender for the delivery of a Virtual Desktop Environment. The report before members on this day provided an update on the latest position.

The report advised that an initial pre qualification questionnaire had been issued to the market through the Official Journal of the European Union, following which, the Council had identified six companies of those who had responded, who were found to be capable of satisfying the project requirements, and had issued an Invitation to Tender (ITT) document to these companies. The report continued that responses to the ITT were to be submitted to the Council by 15 June, 2010 and a five person evaluation team had been established to carry out an evaluation of the responses. It was hoped that the scoring for all submissions could be completed by early July, 2010.

The report explained that the Council had provided the tenderers with significant details of its ICT estate, but that a further due diligence process would require to be undertaken by the preferred tenderer (prior to the contract being awarded) to validate the Council's ICT estate and confirm the scope of work. The preferred tenderer would install monitoring software on existing Council servers for a period of time to produce detailed statistics on hardware functions, capacity and storage. The report highlighted that this approach would mitigate the risk of unforeseen future cost to the Council, and further limit the risk of procurement challenge from companies who were unsuccessful during the tender process. It was further explained that it was not feasible to ask all tenderers to undertake this type of due diligence process, as this was operationally unrealistic and brought about risk in terms of data corruption and unnecessary disruption to the operational performance of hardware and systems. The report concluded that if the preferred tenderer's due diligence process was not recorded as successful, the Council would approach the next tenderer in line, until a tenderer's due diligence was recorded as successful.

The Committee resolved:-

- (i) to note the progress of the procurement process initiated following authorisation granted at its meeting of 28 January, 2010; and
- (ii) to grant delegated authority to the Director of Corporate Governance, the Head of Legal and Democratic Services, the Head of Finance, and the Head of Procurement, in consultation with the Convener of this Committee, to award a contract, within the approved budget, to the preferred tenderer for the provision of a Managed Data Centre and the implementation of the

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Virtual Desktop Environment, following an evaluation of tenders, and subject to a successful due diligence exercise being undertaken.

TOWN CENTRE REGENERATION FUND – WIFI CCTV EXPANSION TO MASTRICK, ROSEMOUNT, CULTS AND PETERCULTER (H&E/10/063)

39. Reference was made to article 20 of the minute of meeting of the Enterprise, Planning and Infrastructure Committee of 23 February, 2010, when that Committee had agreed (1) to approve the works detailed within the report be carried out; (2) to approve costs being aligned to existing budgets where similar works had been authorised, on condition that these would be reimbursed by the Town Centre Regeneration Fund (TCRF) funding; (3) to approve the formalisation of a project team to monitor and coordinate the works associated with the grant; and (4) to request that the Director of Corporate Governance write to Scottish Ministers confirming that the funds would be utilised in this way, as required by the funding rules. The Committee had before it on this day, a report by the Director of Housing and Environment which provided an update on the CCTV Wireless Mesh Network project.

The report explained that the planned extension to Rosemount, Mastrick, Cults and Peterculter was based on replicating and expanding the CCTV system currently in place in Torry, which transmitted signals to Grampian Police CCTV control room; provided an update on the current situation; and outlined the works that were still outstanding.

The Committee resolved:-

- (i) to approve the suspension of Standing Order 1(6)(ii) – General Contracts for Works, Goods and Services; and
- (ii) to provide delegated authority to officers to negotiate a works contract with Aberdeen Technical to install and commission the CCTV element of the Town Centre Regeneration Project.

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.

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CITIZENS' ADVICE BUREAU – DEBT ADVICE SERVICES

40. With reference to article 34 of the minute of its previous meeting, the Committee had before it a report by the Director of Housing and Environment which proposed an option for the procurement of the debt advice services currently provided on behalf of the Council by the Aberdeen Citizens' Advice Bureau (CAB).

The report provided a synopsis of the advice received by officers in Legal Services on the procurement options; and presented to members, a proposed course of action.

The Committee resolved:-

- (i) to instruct the Director of Housing and Environment, in conjunction with the Director of Corporate Governance, to issue a notice of termination to Aberdeen Citizens' Advice Bureau for debt advice services, with the termination date being 31 March, 2011;
- (ii) to instruct the Director of Housing and Environment, in conjunction with the Director of Corporate Governance, to issue a tender for the provision of services currently provided by Aberdeen Citizens' Advice Bureau, namely (a) debt counselling services; and (b) heritable court advice and representation, as two separate lots, the contract for which should commence on 1 April, 2011; and
- (iii) to instruct the Director of Housing and Environment, in conjunction with the Director of Corporate Governance, to prepare a robust service level agreement as part of the procurement process which would allow for a direct comparison of the inhouse debt advice service against that provided by the external provider to help inform any future decisions about how these services are best delivered in future.

ST NICHOLAS SITE – LEAKED REPORT – UPDATE

41. With reference to article 48 of the minute of its previous meeting, the Committee heard from the Legal Manager (Policy and Advice), who provided an update on progress made 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). Ms Donnelly advised that the Standards Commission had been contacted, as instructed at the previous meeting, and the Commission had advised that, whilst those Councillors who declined to be interviewed could be referred on the grounds of disrespect by members towards the Monitoring Officer, the Commission would encourage local authorities to deal with matters such as this in consultation with the Group Leaders.

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The Committee resolved:-

to refer this matter to the Leadership Board for consideration, and that if there was no resolution, to refer the members in question to the Standards Commission.

TOWNSCAPE HERITAGE INITIATIVE – VERBAL UPDATE

42. Reference was made to article 38 of the minute of its previous meeting of 11 May 2010, and the detailed update provided by the Director of Enterprise, Planning and Infrastructure on the progress of the works being carried out to The Green area of the city centre under the Townscape Heritage Initiative and also on the concerns about access and disruption raised by local businesses affected by the works. The resolution of the Committee at the said meeting was (1) 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 (2) 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. The Committee at this point heard the Head of Planning and Sustainable Development who advised that the works would be substantially completed by the end of July, 2010, and that businesses in the area were on the whole content with this, as the area would be accessible to pedestrians. Ms Bochel further advised that there was a water leak on Carmelite Street and that Scottish Water had a legal right to undertake remedial work at their discretion, although they were required to reinstate the footways to their present standard.

The Committee resolved:-

- (i) to request that officers write to Scottish Water expressing concern about the leak at Carmelite Street, in particular with regard to the timing of repair works;
- (ii) to instruct that officers ensure that the footways on Carmelite Street affected by the remedial works are reinstated to their present standard by Scottish Water; and
- (ii) to note the update as provided by the Head of Planning and Sustainable Development.

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CORPORATE ASSET MANAGEMENT PLAN (CG/10/107)

43. Reference was made to article 39 of the minute of meeting of the Committee's previous meeting, 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 report before members provided some background information related to the project which had as its main aim the replacement of stand alone systems with a corporate solution. As regards the Non Housing Property Module, the report provided an indication of the progress made as at 7 May, 2010, as a result of which it was stated that work on the link to e-financials was due to be completed by the end of June, 2010. The current situation as regards staff training in the new system was outlined within the report which also identified the next steps as follows: (1) the Non Housing Property Module link to e-financials to allow invoicing and rents to be processed, was scheduled for completion in June, 2010; (2) work would commence on the Trees Module to enable the Council to record details on all the trees within the city, which would support and link to the 'A Tree for Every Citizen' planting programme; and (3) mobile device replacement was currently being investigated by the Worksmart Project to ensure that any devices purchased will be fit for purpose and deliver Best Value.

The Committee resolved:-

- (i) to note the progress made to date in replacing the existing stand alone systems with the Corporate Asset Management System (CAMS); and
- (ii) to instruct the Director of Corporate Governance to report back to this Committee on 28 September, 2010, regarding further progress.

**CULTER GROUNDS DEPOT SITE AND RUTHRIESTON DEPOT SITE
(EPI/10/168)**

44. Reference was made to (1) article 29 of the minute of meeting of this Committee of 17 September, 2009, and (2) article 26 of the minute of meeting of this Committee of 28 January, 2010, at which times instructions were given to appropriate officers to advertise for sale on the open market, the Council depot sites at Culter and Ruthrieston, both of which had been declared surplus to Council requirements and neither of which were required or considered suitable for use by another Council Service. The Committee now had before it a report by the

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Director of Enterprise, Planning and Infrastructure which advised of the outcome of the marketing exercise in each case.

The report contained brief descriptions of each site and outlined the process that was gone through by the Council in reaching the stage where the sites were declared surplus. The outcome of the marketing exercise in respect of each property was provided within the report, which also contained an assessment of the offers received by the Council's external property contractors.

The Committee resolved:-

- (i) to instruct that the highest offers received for the former Culter Grounds Depot and the Ruthrieston Environment Site (being those submitted by Messrs. Gray and Gray on behalf of Peterhead Land Company Limited (Culter) and Messrs. Paull and Williamsons on behalf of Relsha Limited (Ruthrieston)), be accepted;
- (ii) to instruct that the Head of Legal and Democratic Services conclude missives for the sale of these properties, incorporating various qualifications as are necessary to protect the Council's interests; and
- (iii) should the highest offer accepted for the former Ruthrieston Environment Depot not achieve the necessary planning permission required, to authorise the Head of Asset Management and Operations, firstly, to enter into negotiations on any proposed amendment to the sale price and, secondly, if required, to readvertise the property on the open market subject to reporting further thereon to this Committee, on the actions taken.

DECLARATION OF INTEREST

The Vice Convener declared an interest in the following article by virtue of his position as Director of Castlegate Arts, and advised that this was not a Council appointed position. The Vice Convener did not feel it was necessary to withdraw from the meeting during consideration of the article.

31/33 KING STREET - CASTLEGATE ARTS (EPI/10/172)

45. The Committee had under consideration a report by the Director of Enterprise, Planning and Infrastructure which advised of an approach by the Council's tenants, Castlegate Arts Limited, of the Aberdeen Arts Centre building at

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31/33 King Street, Aberdeen, seeking the Council's approval as Landlords to a variation of the existing lease terms and conditions.

The report made reference to the basic terms and conditions of lease between the Council and Castlegate Arts Limited relative to the Aberdeen Arts Centre, entered into in January, 2000; referred also to the reason for the request by the tenants, which was contained in a letter dated 1 March, 2010 appended to the report; and contained an assessment by the Head of Asset Management and Operations, of the detail of the changes being sought.

The Committee resolved:-

- (i) to approve the extension of the existing lease with Castlegate Arts Limited for a further twenty years beyond its current termination date (to 24 January, 2045), on terms and conditions otherwise identical to those contained in the existing lease; and
- (ii) to reject the proposal put forward by Castlegate Arts as regards the removal of the tenants repairing liability (building fabric and condition) from the lease.

**101 GEORGE STREET, ABERDEEN – EXTENSION OF SUB LEASE
(EPI/10/178)**

46. Reference was made to article 59 of the minute of meeting of the former Resources Management Committee of 10 March, 2009, at which time it was agreed to sub lease 101 George Street, Aberdeen, to the Board of the Third World Centre (Fairtrade Goods), who had been required because of ongoing refurbishment works to vacate their then premises within St. Nicholas Kirk (St. Mary's Chapel). The Committee now had before it a report by the Director of Enterprise, Planning and Infrastructure which advised with regard to the receipt of a request from the Third World Centre, that their sub lease of the premises at 101 George Street, Aberdeen, be extended for a further two years on the same terms and conditions.

The report before members (1) advised with regard to the current terms and conditions under which the Third World Centre lease the premises at 101 George Street from the Council, who themselves are tenants of the property under a Head Lease; (2) made reference to the request received for an extension, a copy of the letter from the Chair of the Third World Centre being attached to the report; (3) outlined the financial and other implications for the Council of acceding to the request; and (4) concluded with an assessment by the Head of Asset Management and Operations of the wider situation as regards alternative premises for the Third World Centre.

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The Committee resolved:-

- (i) to reject the Third World Centre's request to be granted a further two year sub lease of the property at 101 George Street, on identical terms and conditions to their existing sub lease;
- (ii) to instruct the Head of Asset Management and Operations to advertise the Council's interest in the shop for sub lease, for the period after 31 March, 2011; and
- (iii) to instruct the Head of Legal and Democratic Services to formally conclude such a sub lease, on terms and conditions as are necessary to protect the Council's interests.

KIRKTON AVENUE, DYCE (0.74 ACRE SITE) – FUTURE USE (EPI/10/177)

47. Reference was made to article 39 of the minute of its meeting of 10 December, 2009, at which time there was under consideration a report by the Director of Enterprise, Planning and Infrastructure which advised of the receipt of a request to buy an area of Council owned ground extending to some 0.74 of an acre at Kirkton Avenue, Pitmedden Road Industrial Estate, Dyce. The resolution of the Committee at the time was to instruct the then Head of Resources Development and Delivery to enter into negotiations with the prospective purchasers and to report further in due course. The Committee now had before it the further report requested.

The report before members advised of the outcome of the provisional negotiations and outlined the basis upon which the prospective purchase price was arrived at; advised also of the opposition expressed by local roads officials to the creation of any access to the site from Dyce Drive, for road safety reasons; and confirmed that the view of the Head of Planning and Sustainable Development was that any change of use from amenity land to industrial use would require to be the subject of a grant of planning permission.

The Committee resolved:-

- (i) to approve the proposed sale on the basis outlined within the report; and
- (ii) to instruct the Head of Asset Management and Operations together with the Head of Legal and Democratic Services to formally conclude the sale.

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UNIT 5, TILLYDRONE SHOPPING CENTRE (EPI/10/176)

48. The Committee had under consideration a report by the Director of Enterprise, Planning and Infrastructure relative to a request received from the Tillydrone Community Council, who currently occupied space at the Portal Centre from which they run two projects, that they be permitted to lease Unit 5 at the Tillydrone Shopping Centre at a nominal rent in order that these projects may continue should the Portal Centre close down.

The report (1) provided an overview of the situation at the shopping centre where three units, including Unit 5, have been vacant for some time; (2) alluded to the concern on the part of Tillydrone Community Council that the Portal Centre was unlikely to remain open and available to it much longer; (3) advised with regard to the funding arrangements surrounding Community Councils and their inability in the present case to pay a commercial rent for the premises sought; (4) highlighted the financial advantage for the Council of letting the vacant unit, even at a nominal rent; (5) made reference to changes introduced with effect from 1 June, 2010, under the Disposal of Land by Local Authorities (Scotland) Regulations 2010, which substantially altered the need to obtain consent from the First Minister in cases where property is disposed of for less than the best possible consideration and the implications of those changes in relation to the situation under consideration; and (6) concluded that a lease as proposed in terms of the report would no longer require Scottish Government consent.

The Committee resolved:-

- (i) to approve the request by Tillydrone Community Council to lease Unit 5 at Tillydrone Shopping Centre for an initial period of one year at a rent of £1 per annum; and
- (ii) to instruct the Head of Asset Management and Operations and the Head of Legal and Democratic Services to conclude a lease with the Community Council.

QUEEN'S LINKS OUTDOOR SPORTS CENTRE (EPI/10/179)

49. Reference was made to article 41 of the minute of the Committee meeting of 10 December, 2009, at which time there was under consideration a report by the Director of Enterprise, Planning and Infrastructure regarding the interest expressed by Transition Extreme Sports Limited as tenants of the immediately adjacent area of ground at Queen's Links, in leasing the site of the former Queen's Links Outdoor Sports Centre which the Council had now declared surplus to requirements. The resolution of the Committee at that time, having considered Transition Extreme

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Sport's (TES) proposals for the site, was to agree the granting of a new long term lease of the former outdoor sports centre site to TES, on similar terms and conditions to those currently in place for the adjacent site at Queen's Links but subject to the receipt of confirmation that appropriate loan funding from Social Investment Scotland had been received by 31 March, 2010 and also that the financial stability of TES had been evidenced to the Council's satisfaction. In the event that the conditions imposed were not purified by the due date, appropriate Council officers were instructed to advertise the outdoor centre site as being available for lease for any use capable of achieving planning permission. The Committee had now before it a further report on the matter by the Director of Enterprise, Planning and Infrastructure.

The report (1) made reference to the decision taken by the Committee at its meeting of 10 December, 2009, and advised that TES had been unable to purify either of the conditions imposed although it had provided an explanation as to why the timeframe of 31 March, 2010 had not been met; (2) outlined the current situation as regards engagement with Scottish Enterprise, the carrying out of an activity feasibility study and meetings with planning and building consultants to commence discussion on the physical site preparation and planning; (3) gave an indication of the progress made as regards an application to Social Investment Scotland (SIS) for grant funding support; and (4) referred to the existing relationship between TES and SIS who already regard TES as an award winning social enterprise and youth charity. On the matter of satisfying the Council of its financial stability, the report confirmed that TES had provided the Council with audited accounts for the year ending March, 2009 and cash projections for 2010 and 2011, together with other financial data which were currently being assessed by the Head of Finance. By way of additional information relating to the future use of the former outdoor centre at the Queen's Links, the report made reference to a second unsolicited approach received which involved a use similar to the proposals being put forward by TES and in respect of which the Council may wish to pursue in the event that TES are unable to raise the finance that they require to take their plans forward.

The Committee resolved:-

- (i) to grant Transition Extreme Sports Limited an extension to its previous deadline of 31 March, 2010, until 30 September, 2010, to confirm receipt of appropriate loan funding from Social Investment Scotland and to evidence its financial stability to the Council;
- (ii) that in the event that the appropriate confirmation and evidence is produced by the new deadline, to instruct the Head of Legal and Democratic Services to formally conclude a lease on similar terms and conditions to those pertaining to its ground lease of the adjacent site (rent at £1 per annum etc) until 29 March, 2047 and subject to such other terms and conditions as are

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- felt necessary to protect the Council's interests;
- (iii) that in the event that Transition Extreme Sports Limited cannot either obtain appropriate loan funding or evidence its financial stability by 30 September, 2010, to authorise the Head of Asset Management and Operations, if appropriate, to advertise the Queen's Links Outdoor Centre for lease on the open market for any use capable of achieving planning permission; and
 - (iv) that in the event that the provisions referred to at (iii) above come to pass, it be remitted to appropriate officers to report back to a future meeting of the Committee on the responses received to the advertising process.

8 LINKSFIELD PLACE, ABERDEEN (EPI/10/174)

50. The Committee had under consideration a report by the Director of Enterprise, Planning and Infrastructure regarding the Council owned building at 8 Linksfield Place, Aberdeen, which was held on the Social Work Account and currently in use, without the benefit of a formal lease, for a social service purpose.

The report contained a description of the property and a plan showing its extent and location; advised with regard to the current use which although in place for a number of years was not supported by a formal lease agreement; provided an outline of the extent to which the property is utilised by the voluntary organisation in question; and indicated the basis of the lease agreement being proposed. The current cost to the Social Care and Wellbeing budget, which would pertain notwithstanding the introduction of a formal lease, was also highlighted within the report.

The Committee resolved:-

- (i) to approve in principle the lease of 8 Linksfield Place, Aberdeen to Alcoholics Anonymous on the basis of the provisionally agreed terms and conditions outlined; and
- (ii) to instruct the Head of Legal and Democratic Services to formally conclude the lease as agreed and otherwise on terms and conditions required to protect the Council's interests.

STAFF (TIED) HOUSES (EPI/10/175)

51. Reference was made to the minute of meeting of the Audit and Risk Committee of 8 September, 2009 (article 5 refers) whereby members instructed that each Director report back to their Service Committees detailing how many tied

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houses were still in existence, where they were located, and further providing a justification for the houses remaining as tied. It was further instructed that this Committee take a corporate overview of the reports to the Service Committees in this regard. The relevant extracts having been considered at all Service Committees, the Committee had before it on this day the report requested back at the aforementioned meeting of the Audit and Risk Committee.

The report explained that the Head of Asset Management and Operations had responsibility for the ownership and management of 51 staff houses, of which three had been identified by the Service Committees as being required to remain as tied properties, and presented a number of options in respect of the future management of the tied houses.

The Committee resolved:-

- (i) to instruct that any houses currently vacant, and any other houses that become vacant in the future and which are identified as not being required for future use as staff houses, are withdrawn from the staff houses stock and declared surplus to requirements, and to authorise the Head of Asset Management and Operations, in relation to such houses, to follow the adopted procedure for dealing with surplus vacant properties, by circulating their availability to all Council Services and Partners; if no interest is expressed, he would then submit reports to future meetings of this Committee to consider their disposal on the open market; if any houses which adjoin or are adjacent to other Council properties earmarked for closure become vacant, then, pragmatically, consideration should be given to departing from the above procedure so that such a vacant house could be combined with the earmarked vacant property for a joint disposal;
- (ii) to instruct the Head of Asset Management and Operations to consult the tenants of the staff houses on various appropriate issues that may affect their future occupancy, including the proposal to remove the rental discounts currently applying and to increase the rents payable by them to the levels of the prevailing Housing Revenue Account rents, as detailed within the report, and to report back to this Committee on 28 September, 2010 with the outcome of that consultation;
- (iii) to instruct, in terms of any houses affected by the 3Rs Project or the closure of adjoining Council properties, where it is agreed that there is no future requirement for a house to be included with the adjoining property for joint disposal, that the Head of Asset Management and Operations consults the tenants of each house adjoining such a property without commitment, on whether (a) they would wish to purchase the house at a market value, or at the appropriate reduced value (should the Right to Buy apply in that case), or (b) would wish the house, and, therefore, their tenancy, to possibly transfer to the Housing Revenue Account, subject to the matter being

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- referred to the Housing and Environment Committee at the appropriate time for its consideration; and to report back to this Committee with the outcome of that consultation;
- (iv) to authorise the Head of Asset Management and Operations, in terms of those houses currently occupied by retired non janitor staff, and where the tenant has transferred to the 3Rs operating company, together with any other such situations arising in the future, to take or instruct all necessary legal action in order to secure vacant possession of the houses in question, with the adopted procedure for dealing with surplus vacant properties thereafter being followed in relation to such houses;
 - (v) to instruct the Head of Asset Management and Operations to submit a report to a future meeting of the Housing and Environment Committee regarding the feasibility of appropriate staff houses being transferred to the Housing Revenue Account in the future;
 - (vi) to instruct that the Head of Asset Management and Operations, in consultation with the Head of Legal and Democratic Services, review the staff house leases with a view to ensuring they comply with relevant statutory provisions; and
 - (vii) to refer this report to the meeting of the Audit and Risk Committee of 21 September, 2010 for its information.

RETAIL ROCKS (EPI/10/132)

52. With reference to article 24 of the minute of its meeting of 28 January, 2010, the Committee had before it a report by the Director of Enterprise, Planning and Infrastructure which updated members on the progress of the implementation of the Retail Rocks initiative.

The report advised on progress as follows (1) the installation of new CCTV was 85% complete; (2) the installation of new street lighting was 90% complete; (3) the Enterprise, Planning and Infrastructure Committee of 31 May, 2010 had approved the completion of a parking and traffic survey for revisions to the parking regime for the Torry central area (article 18 of the minute refers); (4) the assembly of project and franchise documentation was in the process of being finalised; and (5) Ryden (the Council's agent) had agreed acceptable purchase prices, based on fair market value, for all but one of the properties targeted for acquisition.

The report continued to provide an update on the progress with regards setting up an arm's length organisation, Retail Rocks Aberdeen Limited; requested that members agree the composition of the proposed new Board, providing two options in this regard; and advised of prospective Directors' statutory responsibilities.

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The report provided a breakdown of acquisition and technical costs in relation to the structural refurbishment of the two tenements owned by the Council at 24 and 30 Menzies Road; and concluded by detailing the timescales associated with the project. Appended to the report was a chart identifying stakeholders in the Retail Rocks project, how they related to each other, and the project documentation required.

The Committee resolved:-

- (i) to note the progress to date on key aspects of the project including (1) property identification and development of costs for refurbishment; (2) promotion of multi sector partnership working; (3) development of the competition framework within a franchise agreement; and (4) support for the wider business community in Torry Town Centre including CCTV, street lighting and revised parking and traffic management;
- (ii) to agree to the incorporation of Retail Rocks Aberdeen Limited, and to instruct that the overall composition of the Board be five Directors including two administration Councillors (namely Councillors Corall and Fletcher) and one opposition Councillor (to be agreed outwith this meeting), and to authorise the Head of Legal and Democratic Services to sign all appropriate documentation;
- (iii) to note that Retail Rocks Aberdeen Limited would be a wholly owned, limited guarantee company, established at arm's length to the Council;
- (iv) to note that an additional £50,000 budget provision would be made available from within the current total Enterprise, Planning and Infrastructure budget for 2010/2011 for the completion of the Retail Rocks project to cover (a) additional unforeseen costs associated with the property acquisition, (b) refurbishment and associated legal costs, (c) the creation of a new arm's length company, Retail Rocks Aberdeen Limited, and (d) community engagement linked to the formal announcement of the competition at the Torry Gala to be held on 19 June, 2010;
- (v) to approve the estimated costs for construction works as prepared by technical officers in the Housing and Environment Service, and to seek open competitive tenders in line with financial regulations;
- (vi) to note the revised project timescales, and to authorise officers to negotiate revisions to the programme dates as identified in the original Town Centre Regeneration Fund award with the Scottish Government; and
- (vii) to instruct that a progress report be submitted on this project at the meeting of this Committee on 28 September, 2010.

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DECLARATIONS OF INTEREST

Councillor Dunbar declared a potential pecuniary interest in the subject matter of the following article, and withdrew from the meeting prior to consideration of the matter.

The Convener declared an interest in the same article by virtue of his position as a member of the Grampian Joint Police Board. The Convener advised that he had at no stage discussed this matter at a meeting of the Grampian Joint Police Board, and therefore would remain in the meeting. Councillor John West declared an interest by virtue of his position as substitute member of the Grampian Joint Police Board and also confirmed he had not taken part in any discussion of this matter at any meeting of the Board, and therefore would also remain in the meeting.

SUMMERHILL – MARKETING EXERCISE (EPI/10/167)

53. Reference was made to article 49 of the minute of meeting of this Committee of 17 September, 2009 whereby it was agreed to appoint Graham and Sibbald as external property advisers in relation to the sale and marketing of the Summerhill Education Centre. The report before members on this day advised that the site had been placed on the market in early 2010, with a closing date for offers of 27 April, 2010. Eight offers had been received, and details of these offers were circulated to members at the meeting, along with the financial implications of each offer and recommendations as to the proposed way forward.

The Committee resolved:-

- (i) to accept the highest scoring offer for the site, identified as offerer A in appendix 1 (as circulated at the meeting), as the preferred bidder;
- (ii) to instruct officers to conclude missives for the sale of the property, incorporating all qualifications as necessary to protect the Council's interests; and
- (iii) to instruct the Head of Asset Management and Operations to report further to this Committee on the actions taken by officers, including the complete financial settlement from the disposal of the property and the costs associated with relocating all the existing uses.

- COUNCILLOR KEVIN STEWART, Convener.