

FINANCE AND RESOURCES COMMITTEE

ABERDEEN, 1 February 2023. Minute of Meeting of the FINANCE AND RESOURCES COMMITTEE. Present:- Councillor McLellan, Convener; Councillor Yuill, Vice-Convener; and Councillors Cooke, Fairfull, Farquhar, Grant, Greig, Houghton, Hutchison, Macdonald, Nicoll, Radley and Watson.

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

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

DETERMINATION OF EXEMPT BUSINESS

1. The Convener proposed that the Committee consider item 14.1 (Work Plan and Business Cases – Exempt Appendices) and item 14.2 (Events 365 Plan 2023-2026 – Exempt Appendix) with the press and public excluded from the meeting.

The Committee resolved:-

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

DECLARATIONS OF INTEREST AND TRANSPARENCY STATEMENTS

2. Members were requested to intimate any declarations of interest or transparency statements in respect of the items on today's agenda, thereafter the following were intimated:-

- (1) The Convener advised that he had a connection in relation to item 10.1 (Scotland Excel (ACC) Annual Value Report) by virtue of him being a Council representative on the Scotland Excel Board. He considered that the nature of his interest would not require him to leave the meeting prior to consideration of the item;
- (2) Councillor Grant declared an interest in relation to agenda items 10.2 (Events 365 Plan 2023-2026) by virtue of him being an employee of Aberdeen Inspired. He considered that the nature of his interest would require him to leave the meeting prior to consideration of the item;
- (3) Councillor Houghton advised that he had a connection in relation to item 9.1 (Council Financial Performance – Quarter 3, 2022/23) by virtue of his spouse being an employee of NHS Grampian. He considered that the nature of his interest would not require him to leave the meeting prior to consideration of the item; and
- (4) The Vice Convener advised that he had a connection in relation to item 9.1 (Council Financial Performance – Quarter 3, 2022/23) by virtue of him being a Council representative on the NHS Grampian Board. He considered that the nature of his interest would not require him to leave the meeting prior to consideration of the item.

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MINUTE OF PREVIOUS MEETING OF 7 DECEMBER 2022, FOR APPROVAL

3. The Committee had before it the minute of meeting of the Finance and Resources Committee of 7 December 2023.

The Committee resolved:-

to approve the minute.

COMMITTEE PLANNER

4. The Committee had before it the Committee Business Planner prepared by the Interim Chief Officer - Governance.

The Committee resolved:-

- (i) to note the reason for deferral in relation to item 6 (Proposals for Investment for Works at Riverbank School to Accommodate the Relocation of St. Peter's School), item 7 (Torry Heat Network), item 12 (Ness Landfill Site - Use as a Solar Farm), item 13 (Wellington Road) and item 37 (Annual Committee Effectiveness Report);
- (ii) to remove item 10 (Bucksburn Academy Extension – Outline Business Case) and item 11 (Aberdeen Hydrogen Hub - Site Selection) from the planner for the reasons outlined therein; and
- (iii) to otherwise note the information contained within the planner.

NOTICE OF MOTION BY COUNCILLOR KATE BLAKE

5. At the commencement of this item, the Committee received an update from Ms Kirsten Foley, Employee Relations and Wellbeing Manager on the current position.

The Committee had before it a Notice of Motion by Councillor Blake in the following terms:-

“That the Committee:-

- (1) Notes with concern that notification of strike action has been received from four of the teacher's unions;
- (2) Agrees that young people's education has been severely impacted by the pandemic and that teachers are key to successful recovery;
- (3) Agrees that hard working teachers across Scotland have gone above and beyond as a result of the pandemic but also as a result of years of mismanagement and neglect by the Scottish Government;
- (4) Recognises that this is a national dispute which can only be resolved by SNP Ministers at Holyrood;
- (5) Calls for COSLA to press the Cabinet Secretary for Education and Skills urging them to do everything possible to avoid or minimise industrial action and its impact upon our children, young people, parents and guardians; and

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- (6) Instructs the Chief Executive to formally write to the Cabinet Secretary for Education and Skills noting the Council's concerns for the education of our children and young people if the Scottish Government cannot reach a settlement in this dispute and to urgently produce a fair deal for teachers."

Councillor Blake moved her motion and explained the rationale behind her request.

The Committee resolved:-

- (i) to agree points 1 and 2 of the motion;
- (ii) to note that CoSLA, and the Scottish Government, continue to work with Trade Unions for the pay element of the current offer to be paid as soon as possible in lieu of a finalised settlement;
- (iii) to note that, as instructed by Full Council on 11 January 2023, a letter had been sent to both the Prime Minister and the Chancellor of the Exchequer asking them to provide all devolved nations with increased, sustainable and recurring funding;
- (iv) to agree that the Council had no additional funding for pay, and therefore any enhanced pay offer to the Scottish Negotiating Committee for Teachers and workforce must be fully funded by the Scottish Government and include sufficient funding to maintain parity for other bargaining groups; and
- (v) to instruct the Chief Executive to write to the Cabinet Secretary for Education and Skills noting the Council's concerns for the education of our children and young people, if all parties cannot reach a settlement in this dispute and to urgently produce a fair deal for teachers.

COUNCIL FINANCIAL PERFORMANCE - QUARTER 3, 2022/23 - RES/23/049

6. The Committee had before it a report by the Director of Resources which provided an update on the financial position of the Council as at Quarter 3 (31 December 2022) and the full year forecast position for the financial year 2022/23, including:-

- General Fund and Housing Revenue Account (HRA) and capital accounts; and associated Balance Sheet; and
- Common Good revenue account and Balance Sheet.

The report recommended:-

that the Committee –

- (a) note the cash position that has been achieved for the General Fund and HRA to the end of Quarter 3 as detailed in Appendix 1;
- (b) note the Common Good financial performance to the end of Quarter 3 as detailed in Appendix 3, specifically the £1.1m reduction in cash balances due to investment volatility;
- (c) note that the General Fund full year forecast position has moved positively since the Quarter 2 report was considered by the Committee as detailed in Appendix 2, and is now expected to show a deficit of £2.1m for 2022/23, and that the Chief Officer – Finance has instructed that budget holders act to delay, stop or reduce

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- expenditure wherever possible to mitigate this deficit; and note that any remaining deficit will be mitigated from the use of earmarked reserves;
- (d) note that the HRA full year forecast position, as detailed in Appendix 2, is on target to achieve the approved budget;
 - (e) note that the Council relies on the Integration Joint Board (IJB) achieving a balanced budget, and that the IJB retains reserves to mitigate unplanned additional costs arising during the year;
 - (f) note that the forecast for General Fund and Housing capital expenditure is that there will be lower spend than had been budgeted in 2022/23 as described in Appendix 2; and
 - (g) note that the Council has introduced new processes in respect of a recruitment freeze, and has recently promoted the Voluntary Severance/ Early Retirement scheme, these actions are designed to assist in the management of the pay bill both this year and going forward;

The Convener, seconded by the Vice Convener moved:-

that the Committee approve the recommendations contained within the report.

Councillor Grant, seconded by Councillor Macdonald, moved as an amendment:-

that the Committee:-

- (1) approve the recommendations in the report; and
- (2) note that the Scottish Government granted local authorities flexibility to make use of capital receipts to help offset the costs associated with Transformation Projects, including qualifying severance and VSER costs, but that this is currently set to expire in March 2023. Agrees that extending this flexibility would help to meet the financial costs of transforming and redesigning our services and instructs the Chief Officer - Finance to write to the Depute First Minister and Cabinet Secretary for Covid Recovery to seek an extension to enable the council to continue to make use of capital receipts towards achieving recommendation (g).

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

The Committee resolved:-

- (i) to approve the motion; and
- (ii) to request that the Chief Officer – Finance circulate further details to members of the Committee in relation to the income figures for car parking charges.

WORK PLAN AND BUSINESS CASES - COM/23/039

7. The Committee had before it a report by the Director of Commissioning, which presented procurement work plans where expenditure was included for the Customer and Operations Functions to Committee for review and sought approval of the total

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estimated expenditure for the proposed contracts as contained in the Procurement Business Cases appended to the report.

The procurement business cases were for the following:-

- Travel Purchase Solutions; and
- Roads Framework (Capital Infrastructure Works).

The report recommended:-

that the Committee –

- (a) note the workplan as detailed in the Appendices for the Customer and Operations Functions;
- (b) approve the procurement business cases, including the total estimated expenditure for the proposed contract; and
- (c) note the content of Appendix 3 - 3.10 Memos (Exemption Urgency).

The Committee resolved:-

to approve the recommendations.

PLACE BASED INVESTMENT PROGRAMME AND UK SHARED PROSPERITY FUND - COM/23/042

8. The Committee were advised that this report had been withdrawn and would be submitted to the next meeting of the Committee.

TRANSPARENCY STATEMENT

At this juncture, the Vice Convener advised that he had a connection in relation to the following item of business by virtue of his sister's partner who was employed by a Sub Contractor working on the Milltimber School development (raised during discussion of the report). Having applied the objective test, he did not consider that he had an interest and would not be withdrawing from the meeting.

CAPITAL PROGRAMME DELIVERY PROJECTS UPDATE - RES/23/043

9. The Committee had before it a report by the Director of Resources which (1) summarised the general progress of delivery of key capital expenditure projects identified within the approved Capital Programme from the General Fund and Housing Revenue Accounts; and (2) highlighted those issues considered worthy of particular note which were specific to individual programmes/projects.

The report recommended:-

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that the Committee –

- (a) note the status of delivery of the Section 3.0 highlighted programmes/projects contained within the approved Capital Programme; and
- (b) instruct the Chief Officer - Capital to report to the next appropriate Finance and Resources Committee his findings following a review of next steps options for the delivery of the new housing sites at Craighill and Kincorth.

The Committee resolved:-

- (i) to approve the recommendations; and
- (ii) to request that the Director of Resources liaise with the Director of Children's and Family Services to circulate to members a Briefing Paper on the engagement process taken with pupils/parents in relation to school uniform, interior design and furnishings etc prior to pupils transferring to a newly constructed school.

SCOTLAND EXCEL (ACC) ANNUAL VALUE REPORT - COM/23/040

10. The Committee had before it a report by the Director of Commissioning which presented the Scotland Excel Annual Value Report for Aberdeen City Council covering period 01 April 2021 to 31 March 2022 in accordance with the Committee's terms of reference, to provide assurance on value achieved through the membership agreement.

The report recommended:-

that the Committee note the Scotland Excel Annual Report as set out in Appendix 1.

The Committee resolved:-

- (i) to approve the recommendation; and
- (ii) that the Head of Commercial and Procurement provide details to Councillor Cooke in relation to the total expenditure figure in terms of the overall spend of 38% for local suppliers in the last year.

At this juncture, in accordance with Article 2 of this minute, Councillor Grant left the meeting prior to consideration of the following item of business and Councillor Crockett joined the meeting as his substitute.

TRANSPARENCY STATEMENTS

At this juncture, Councillor Macdonald advised that she had a connection in relation to the following item of business by virtue of her being a Board Member of Mela. Having applied the objective test, she did not consider that she had an interest and would not be withdrawing from the meeting.

Also at this juncture, Councillor Radley advised that she had a connection in relation to the following item of business by virtue of her being a Council

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representative on the Board of Visit Aberdeenshire. Having applied the objective test, she did not consider that she had an interest and would not be withdrawing from the meeting.

EVENTS 365 PLAN 2023-2026 - COM/23/044

11. With reference to article 20 of the minute of the meeting of the Finance Policy and Resources Committee of 7 December 2016, the Committee had before it a report by the Director of Commissioning which provided an update on (1) the delivery of the 2016 365 Events Strategy including some headline events; and (2) the plan for the three years 2023-2026 as the framework for the work of the Events 365 Group.

The report recommended:-

that the Committee –

- (a) note the update on delivery of the 365 Events Strategy;
- (b) agree the proposed 365 Events Plan for 2023-2026 (Appendix 1 to this report);
- (c) instruct the Chief Officer - City Growth to re-convene the Event 365 Group as outlined in Section 3.19-3.21 in this report and to report annually to this Committee on the progress to implement the Event Plan; and
- (d) instruct the Chief Officer - City Growth to work with government, national and local partners to explore new events opportunities at the local, regional, national and international level.

In terms of Standing Order 29.4.1, the Convener waived his right and allowed the Vice Convener to have the prior right to the motion.

The Vice Convener, seconded by the Convener moved:-

that the Committee approve the recommendations contained within the report.

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

that the Committee:-

- (1) approve recommendations (a) and (d);
- (2) note that specific reference of an event or festival within the Events 365 Plan could help organisers to apply for and improve opportunities to secure local and national funding;
- (3) approve recommendation (b) subject to an instruction to the Chief Officer - City Growth to include specific reference to any other “known” events that are scheduled or being planned for 2023 and beyond but which are not currently mentioned in the draft plan; and
- (4) approve recommendation (c) with the addition that one elected member from each political group is invited to sit on the Event 365 Group.

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

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The Committee resolved:-

- (i) to approve the motion; and
- (ii) to note that the Chief Officer – City Growth would raise the issue of inviting the Aberdeen City and Shire Hotels Association to Event 365 Group meetings at their next meeting.

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

WORK PLAN AND BUSINESS CASES - EXEMPT APPENDICES

12. The Committee had before it exempt appendices relating to the Work Plan and Business Cases report.

The Committee resolved:-

to note the information provided within the exempt appendices.

EVENTS 365 PLAN 2023-2026 - EXEMPT APPENDIX

13. The Committee had before it an exempt appendix relating to the Events 365 Plan 2023-2026 report.

The Committee resolved:-

to note the information provided within the exempt appendix.

- **COUNCILLOR ALEX MCLELLAN, Convener**