

The background of the page features a large, light blue watermark of the University of Alberta crest. The crest is a shield-shaped emblem with a crown on top. The crown has four points, each with a stylized flower. The shield is divided into four quadrants: top-left shows a building, top-right shows a stag's head, bottom-left shows a sailing ship, and bottom-right shows a beaver. A banner at the bottom of the shield contains the motto 'ANNE FOR A'.

**AGENDA ITEM**

**3**

**MINUTES AND  
INFORMATION BULLETIN**

FALKIRK COUNCIL

MINUTE of MEETING of FALKIRK COUNCIL held in the MUNICIPAL BUILDINGS, FALKIRK on WEDNESDAY 16 DECEMBER 2015 at 10.00 A.M.

<b><u>COUNCILLORS:</u></b>	David Alexander	Gerry Goldie	Rosie Murray
	David Balfour	Linda Gow	Malcolm Nicol
	Stephen Bird	Gordon Hughes	Alan Nimmo
	Allyson Black	Steven Jackson	Martin Oliver
	Jim Blackwood	Charles MacDonald	Baillie Joan Paterson
	William Buchanan	Brian McCabe	Depute Provost John Patrick
	Steven Carleschi	John McLuckie	Provost Pat Reid
	Colin Chalmers	Adrian Mahoney	Ann Ritchie
	Tom Coleman	Craig Martin	Robert Spears
	Paul Garner	Dr Craig R Martin	Sandy Turner
	Dennis Goldie	Cecil Meiklejohn	

<b><u>OFFICERS:</u></b>	Karen Algie, Head of HR & Business Transformation
	Fiona Campbell, Head of Policy, Technology and Improvement
	Deirdrie Cilliers, Head of Social Work Adult Services
	Douglas Duff, Head of Economic Development and Environmental Services
	Rhona Geisler, Director of Development Services
	Rose Mary Glackin, Chief Governance Officer
	Iain Henderson, Legal Services Manager
	Colin Moodie, Depute Chief Governance Officer
	Robert Naylor, Director of Children's Services
	Brian Pirie, Democratic Services Manager
	Mary Pitcaithly, Chief Executive
	Stuart Ritchie, Director of Corporate and Housing Services
	Bryan Smail, Chief Finance Officer
	Pamela Smith, Employment and Training Manager

**ALSO**

<b><u>ATTENDING:</u></b>	Maureen Campbell, Chief Executive, Falkirk Community Trust
	Patricia Cassidy, Chief Officer, Integration Joint Board

**FC61. ORDER OF BUSINESS**

In terms of Standing Order 14.2(i), the Provost varied the order of business from that detailed on the agenda for the meeting. The following items are recorded in the order in which they were taken at the meeting.

**FC62. SEDERUNT**

The sederunt was taken by way of a roll call. No apologies were intimated.

### **FC63. DECLARATIONS OF INTEREST**

Provost Reid, Baillie Buchanan and Councillors D Goldie, Gow and Spears each declared a non-financial interest in item FC69 as Directors of Falkirk Community Trust but did not consider that this required them to recuse themselves from consideration of the item, having had regard to the specific exclusions contained in the Code of Conduct.

Councillors Black, D Goldie and Gow each declared a non-financial interest in Item FC75 as members of the Integration Joint Board but did not consider that this required them to recuse themselves from consideration of the item, having had regard to the specific exclusions contained in the Code of Conduct.

### **FC64. MINUTES AND INFORMATION BULLETIN**

#### **(a) Meeting of Falkirk Council held on 7 October 2015.**

##### **Decision**

**The minute of the meeting held on 7 October 2015 was agreed as a correct record.**

#### **(b) Volume of Minutes – Volume 3 2015/2016.**

##### **Decision**

**The Volume of Minutes – Volume 3 2015/2016 was noted.**

#### **(e) Information Bulletin – Volume 3 2015/2016.**

##### **Decision**

**The Information Bulletin – Volume 3 2015/2016 was noted.**

### **FC65. QUESTIONS**

In terms of Standing Order 32, written questions may be submitted to the Leader of the Council and/or portfolio holders on any matters relating to business transacted at any meeting of the Executive or Education Executive since the last Volume of Minutes was published or to the Provost on civic and related matters.

No questions had been submitted.

### **FC66. REFERRAL FROM AUDIT COMMITTEE – ANNUAL REPORT 2014/15**

Council considered a report by the Director of Corporate and Housing Services presenting the Audit Committee's Annual Report for 2014/15.

In terms of the Scheme of Delegation, the convener of the Audit Committee is required to present an annual report to Council on the work of the committee. The Audit Committee agreed, on 21 September 2015 (Ref AC31), to refer the report to Council.

### **Decision**

**Council noted the Audit Committee Annual Report 2014/15.**

## **FC67. REFERRAL FROM THE EXECUTIVE – TREASURY MANAGEMENT INTERIM REVIEW 2015/16**

Council considered a report by the Director of Corporate and Housing Services presenting the Treasury Management Interim Review 2015/16.

The Executive had considered the Treasury Management Interim Review for 2015/16 on 1 December 2015 (Ref EX75) and, in accordance with the Treasury Management Code of Practice, referred it to Council for consideration.

### **Decision**

**Council approved the Treasury Management Interim Review for 2015/16.**

## **FC68. REVENUE BUDGET**

Council considered a report by the Chief Executive and Director of Corporate and Housing Services providing an overview of the Chancellor of the Exchequer's spending review and its impact on for the Scottish Government's Local Government Finance Settlement together with a summary of progress with the budget preparations.

Council had agreed a provisional draft budget for 2016/17 on 11 February 2015 (ref FC69) and this had been the subject of a further report on 7 October 2015 (ref FC50) at which the necessary consultation and workflows to prepare for a 2 year budget were agreed.

The Chancellor had announced the outcome of his Spending Review on 25 November 2015 and it was now expected that the Scottish Government would present its budget on 16 December 2015, with Councils being notified of their respective revenue and capital grants on the same day. It was anticipated that Scotland would receive a 5% real terms cut in revenue resource budgets.

The Scottish Government had announced that there will be a one year settlement for 2016/17 with a longer term settlement to be provided in the autumn of 2016. As a consequence there could be a spreading of the degree of cuts which Councils will face between 2016 and 2019, with 2017/18 anticipated to be the worst. While the allocation for 2016/17 was not yet known it was estimated that a 1% variation from the projected settlement would equate to £280,000 and there could be a need to draw significantly on draft 2017/18 savings options to balance the 2016/17 budget.

While the benefit of moving to a 2 or 3 year budget was recognised, the report reflected on factors that now made such a move questionable for 2016/17 and 2017/18. Consequently a one year budget was proposed.

The report also detailed the current position of the provisional budget for 2016/17 with particular regard to the proposed £1.5m savings arising from changes to terms and conditions. A proposal had been put to the Trades Unions, with the main change a reduction in the standard working week from 37 to 36 hours. The Unions had sought a number of commitments from Council in return for an agreement to recommend the change to their members and the Chief Finance Officer updated Council on the detail of what was being sought.

Council had, following the meeting on 7 October 2015, undertaken a public engagement exercise on the budget proposals. The report provided an analysis of the responses.

Councillor C Martin, seconded by Councillor Nimmo, moved the following motion:-

*In line with recommendations 7.1 and 7.2 of the report, I propose that Council agrees to note the outcome of the Spending Review and the progress on budget preparation.*

*With regards to recommendation 7.3 of the report, I propose that Council produce a one year budget.*

*In relation to recommendation 7.4, and as a result of the verbal update provided by officers, I propose that subject to there being no significant further adverse changes to the Council's revenue budget over the period of the current budget strategy, the Council responds to the agreements that the Unions wish to seek from the Council in return for an agreement on the changes, by agreeing to the following:*

- *if the financial position of the Council were to improve, a commitment is provided to re-visit those changes to terms and conditions which would be implemented, if the Trade Union ballot on the current proposal were successful and enabled a collective agreement;*
- *a commitment be provided that the Council will not seek to achieve any further Council wide changes to terms and conditions during the period up to and including the 2017/18 budget. This commitment would be made on the basis of corporately discussed terms and conditions only, and would still allow for changes at a local level within specific employee groups, such as those currently being discussed at the various Improvement Groups;*
- *the Council will provide a commitment that until March 2017, the Council will deal with job reductions through voluntary methods using a range of options such as vacancy management, redeployment, voluntary severance and any other voluntary method which can help achieve the identified savings. The Council commits not to resort to compulsory redundancies before March 2017, except in circumstances where employees whose posts are "at risk" of redundancy, are being inflexible in considering options for redeployment, severance or other voluntary changes to their contracts of employment. In such circumstances the Council would consult with the recognised Trade Unions before taking any action.*

*It is proposed that Council agree to these points to help secure the £1.5m of savings, subject to the Trade Unions conducting a ballot, and successful outcome to this being achieved, leading to a collective agreement containing the changes to terms and conditions, and the points above, being reached between the Council and its workforce.*

Council then adjourned at 10.50 a.m. to allow members of the Opposition to consider the terms of the motion and reconvened at 11.05 a.m. with all members present as per the sederunt.

## **Decision**

### **Council agreed:-**

- (1) to note the outcome of the Spending Review and the progress on budget preparation;**
- (2) that a one year budget be set; and**
- (3) that subject to there being no significant further adverse changes to the Council's revenue budget over the period of the current budget strategy, Council responds to the agreements that the Unions wish to seek from the Council in return for an agreement on the changes, to the following:**
  - if the financial position of the Council were to improve, a commitment is provided to re-visit those changes to terms and conditions which would be implemented, if the Trade Union ballot on the current proposal were successful and enabled a collective agreement;**
  - a commitment be provided that the Council will not seek to achieve any further Council wide changes to terms and conditions during the period up to and including the 2017/18 budget. This commitment would be made on the basis of corporately discussed terms and conditions only, and would still allow for changes at a local level within specific employee groups, such as those currently being discussed at the various Improvement Groups, and**
  - the Council will provide a commitment that until March 2017, the Council will deal with job reductions through voluntary methods using a range of options such as vacancy management, redeployment, voluntary severance and any other voluntary method which can help achieve the identified savings. The Council commits not to resort to compulsory redundancies before March 2017, except in circumstances where employees whose posts are "at risk" of redundancy, are being inflexible in considering options for redeployment, severance or other voluntary changes to their contracts of employment. In such circumstances the Council would consult with the recognised Trade Unions before taking any action.**

## FC69. FALKIRK COMMUNITY TRUST - BUSINESS PLAN 2016/17

Council considered a report by the Chief Executive setting out Falkirk Community Trust's proposed Business plan for 2016/17.

The Funding Agreement between the Council and the Trust requires that the Trust submits, annually, a Business Plan for the following financial year for approval by the Council. The Business Plan was contained within a briefing note by the Chief Executive of the Trust, which was appended to the report, as was the Trust's draft Action Plan, the draft Helix Business Plan and the Trust's fees and charges proposals.

The Funding Agreement requires that both parties engage in initial dialogue in regard to the Trust's proposals prior to Council's final approval of the plan. Council can request further information and propose amendments for consideration by the Trust. The Trust had been asked by Council to identify savings of £1.2m. These were grouped into 3 categories:-

- income generative & growth;
- efficiency savings; and
- service reductions.

Within the £1.2m savings were 10 areas of service reductions which, if implemented, would achieve £930k in savings.

The report set out the impact on the Council's budget of proposals in regard to Hallglen Sports Centre, Denny Football Centre, Grangemouth Town Hall, Woodlands Games Hall and The Steeple. The proposed facility withdrawals were predicted to achieve £218k of savings, however Council could incur a loss of rates relief amounting to £121k.

The proposals were noted as coinciding with a review of the Council's asset portfolio and a more strategic review of all assets was proposed to be co-ordinated by the already established Policy Development Panel.

The Trust's capital proposals were also set out in the Business Plan. Those which relate to building works would be the responsibility of the Council, as landlord, in terms of the leases and property licence. It was proposed that the strategic review of facilities would include consideration of future capital investment requirements.

Councillor Mahoney, seconded by Baillie Paterson, moved that:-

- (1) *the Trust is requested to consider and provide to the Council revised draft Business Plans for 2016/17 removing its proposals for facility withdrawal (at Grangemouth Town Hall, Hallglen Sports Centre, Denny Football Centre and Woodlands Games Hall) and the associated proposed savings of £218k which savings shall be deferred for consideration in 2017/18 following the strategic assessment referred to in paragraph 2 below. It is requested that the Trust provide revised draft Business Plans within a timescale consistent with the Council being able to consider them at the Council Budget meeting on 17 February 2016;*
- (2) *a strategic assessment of the Trust's service delivery and property portfolio is conducted which will interface with review of the Council's own asset portfolio. The policy development panel established by the Executive to carry out a review of the Trust is requested to co-ordinate the*

*strategic assessment in parallel to its ongoing work allowing for significant input by and liaison with the Trust and relevant Council officers. It is anticipated that the strategic assessment would be finalised by around the end of August 2016 for consideration by members and would feed into the 2017/18 budget process;*

- (3) full Equalities and Poverty Impact Assessments be provided by the Trust to the Council in relation to the proposals in the revised draft Business Plans for consideration by the Council before any final decisions are taken by the Council on the revised draft Business Plans; and*
- (4) the Council's Spend to Save reserve may be applied to assist the Trust consistent with paragraph 3.2 of the report.*

Council then adjourned at 12.05 pm to allow members of the Opposition to consider the terms of the motion and reconvened at 12.20 pm with all members present as per the sederunt.

As an amendment, Councillor Meiklejohn, seconded by Councillor Jackson, moved in substitution for the motion that:-

*Following recent revelations we have serious concern that the Trust cannot meet its stated objectives as set out when it was established.*

*Council therefore calls for an urgent review to be completed in time to feed in to the 2016/17 Budget (circa end Jan) to be carried out of the Trust and its ability to remain sustainable before any agreements are reached on the business plan and setting of 2016/17 Budget. No further actions taken to progress business case until outcome of Review.*

Following discussion, Council adjourned at 12.40 pm to allow members of the Administration to consider the terms of the amendment and reconvened at 12.50 pm with all members present as per sederunt.

Following further discussion the Provost proposed that, in order to allow further debate on the item, Council break for lunch and consider the matter to conclusion post lunch.

Members concurred and as there was general agreement on items FC70, 71 and 72 these were dealt with immediately.

## **FC70. SYRIAN VULNERABLE PERSONS RELOCATION SCHEME**

Council considered a report by the Director of Corporate and Housing Services recommending participation in the Syrian Vulnerable Persons Relocation (VPRS) Scheme.

The Scottish Government had committed, in September 2015, to support the resettlement of Syrian refugees and had provided £1m to support the process. It was estimated that Falkirk Council would accommodate approximately 60 refugees.

The report summarised the preparatory work undertaken by Council services and key partners including the Community Planning Partnership.

It was anticipated that Falkirk Council would be able to start accommodating its allocated refugees from January 2016. Council was required to confirm its participation in the Scheme with the Home Office.

### **Decision**

#### **Council agreed to:-**

- (1) note the update regarding the Syrian Vulnerable Persons Relocation Scheme;**
- (2) note the work being undertaken regarding the Scheme;**
- (3) authorise officers to contact the Home Office to advise that Falkirk Council will be in a position to receive refugees from January 2016, and**
- (4) note that a temporary Resettlement Officer will be recruited in line with the Recruitment and Selection Policy.**

#### **FC71. REVIEW OF POLLING DISTRICTS: WARD 3 – DENNY AND BANKNOCK**

Council considered a report by the Chief Executive setting out proposals to change two polling districts in Ward 3 – Denny and Banknock.

The polling scheme for ward 3 comprised 7 polling districts, with 7 polling places and 15 polling stations contained therein. The scheme had been reviewed following Council's approval of planning permission for the development of 307 new homes at Mydub Farm in Denny which were likely to generate 450-600 additional electors.

Two options for review had been developed for consideration by the Council. These were:-

- Option 1 – allocate the new housing to polling district FW316 and use the new distributor road as the southern boundary. The polling place for this polling district is Nethermains Primary School, where the electorate statistics would increase to approximately 4,600 and would necessitate a 5th polling station within an already busy polling place, depending on the type of election and the anticipated turnout.
- Option 2 – allocate the new development to polling district FW321, using the southern boundary of the existing development in Demoreham Avenue as the northern boundary. The polling place for this polling district is the Archibald Russell Centre, where the electorate would increase to approximately 3,300.

Two further suggestions had been made. Firstly, that some form of traffic management be put in place on polling days in the area around the Archibald Russell Centre and Head of Muir Primary School and, secondly, that the Community Fire Station in Denny be considered as an alternative polling place to Nethermains Primary School. It was

proposed that the latter suggestion should be considered as part of the next full review of polling districts and polling places in October 2018.

### **Decision**

**Council agreed to:-**

- (1) note the terms of the report and the comments received following consultation with the elected members for Ward 3 – Denny and Banknock;
- (2) note the proposal to investigate further the suggestion of traffic management on polling days at the Archibald Russell Centre, subject to Head of Muir Primary School remaining open on these days;
- (3) note the proposal to consider the use of the Community Fire Station in Denny as an alternative polling place to Nethermain Primary School, potentially as part of the next full review, and
- (4) use the Archibald Russell Centre, Haypark Road, Dennyloanhead, as the polling place for the new development at Mydub Farm, Glasgow Road, Denny and to amend the polling scheme for polling district FW321 to reflect this change.

## **FC72. EXECUTION OF DEEDS**

Council considered a report by the Director of Corporate and Housing Services detailing those deeds that had been signed and sealed on behalf of the Council since the last meeting.

### **Decision**

**Council agreed to note the signing and sealing of the deeds listed in the appendix to the report.**

Council adjourned for lunch at 1.40 pm and reconvened at 2.20 pm with members present as per the sederunt.

## **FC73. FALKIRK COMMUNITY TRUST - BUSINESS PLAN 2016/17 (CONTINUED)**

Following further discussion, and on a division, 18 members voted for the motion and 14 voted for the amendment, with voting as follows:-

For the motion (18):- Provost Pat Reid; Depute Provost Patrick; Baillies Buchanan and Paterson; Councillors Black, Blackwood, D Goldie, G Goldie, Gow, MacDonald, McLuckie, Mahoney, C Martin, Dr CR Martin, Murray, Nicol, Nimmo and Spears.

For the amendment (14):- Councillors Alexander, Balfour, Bird, Carleschi, Chalmers, Coleman, Garner, Hughes, Jackson, McCabe, Meiklejohn, Oliver, Ritchie and Turner.

## Decision

### Council agreed:-

- (1) to request that the Trust considers and provides the Council with revised draft Business Plans for 2016/17 removing its proposals for facility withdrawal (at Grangemouth Town Hall, Hallglen Sports Centre, Denny Football Centre and Woodlands Games Hall) and the associated proposed savings of £218k which savings shall be deferred for consideration in 2017/18 following the strategic assessment referred to in paragraph 2 below. It is requested that the Trust provide revised draft Business Plans within a timescale consistent with the Council being able to consider them at the Council Budget meeting on 17 February 2016;
- (2) that a strategic assessment of the Trust's service delivery and property portfolio is conducted which will interface with review of the Council's own asset portfolio;
- (3) that the policy development panel established by the Executive to carry out a review of the Trust is requested to co-ordinate the strategic assessment in parallel to its ongoing work allowing for significant input by and liaison with the Trust and relevant Council officers. It is anticipated that the strategic assessment would be finalised by around the end of August 2016 for consideration by members and would feed into the 2017/18 budget process;
- (4) that full EPIAs are provided by the Trust to the Council in relation to the proposals in the revised draft Business Plans for consideration by the Council before any final decisions are taken by the Council on the revised draft Business Plans; and
- (5) that the Council's Spend to Save reserve may be applied to assist the Trust consistent with paragraph 3.2 of the report.

## **FC74. EMPLOYMENT AND TRAINING UNIT BUDGET POSITION AND EXTERNAL FUNDING**

Council considered a report by the Director of Development Services setting out savings options in regard to the Employment Training Unit service.

As part of its consideration of the Revenue Budget on 7 October 2015 (ref FC50) Council authorised the progression of Equality and Poverty Impact Assessments (EPIA) and consultation on a number of savings options for 2016/17-2017/18. This included a proposal to reduce the service provision in regard to the Employment Training Unit (ETU).

The ETU is a non-statutory service funded by a combination of Council and external sources. The Council's contribution to the ETU in 2015/16 was £2,485,540. Savings of £350k had been identified for 2016/17 with a further saving of up to £1.4m identified from April 2017 should Council withdraw from the service. In light of imminent external funding bidding requirements, a degree of clarity over the Units future was

required. The report set out four options ranging from total closure to retention of a core provision. Council was asked to determine its preferred option so that bids for external funding could be made.

The options were set out together with the outcomes of respective EPIAs. These were:-

- **Option 1** - Total Closure of ETU – this could deliver a total saving of £2,105,540;
- **Option 2** – Targeted savings – maintain service delivery capacity. This could deliver savings up to £300,000;
- **Option 3** – Greater reduction in budget and services. This would provide savings of £755,000; and
- **Option 4** - Maintain national training programs and de-commit from European Social Fund/Fairer Falkirk activity. This would deliver savings of £1,105,000.

Councillor C Martin, seconded by Councillor Dr CR Martin moved that Council:

- (1) *notes the options presented in respect of the future funding arrangements for the Council's Employment & Training Unit;*
- (2) *notes the Equalities and Poverty Impact Assessment prepared for the savings option selected to outline the consequences of the agreed decision; and*
- (3) *agrees option 2 (Targeted Savings) as the preferred savings option.*

Following discussion, and with consent of the Provost and Councillor Dr CR Martin as his seconder, Councillor C Martin agreed to adjust his motion to include a suggestion from Councillor Meiklejohn as follows:

- (4) *that an update report be provided either to a future meeting or to the Budget Working Group setting out the consequences if the funding bids are not successful and if they are, the new budget gap of £1.8m will be filled.*

## **Decision**

**Council agreed:-**

- (1) **to note the options presented in respect of the future funding arrangements for the Council's Employment & Training Unit;**
- (2) **to note the Equalities and Poverty Impact Assessment prepared for the savings option selected to outline the consequences of the agreed decision;**
- (3) **option 2 (Targeted Savings) as the preferred savings option; and**
- (5) **that an update report be provided either to a future meeting or to the Budget Working Group setting out the consequences if the funding bids are not successful and if they are, the new budget gap of £1.8m will be filled.**

## **FC75. DRAFT STRATEGIC PLAN - INTEGRATION JOINT BOARD**

Council considered a report by the Director of Corporate and Housing Services presenting the Integration Joint Board's draft Strategic Plan.

A key task of the Integration Joint Board (IJB) was the preparation of a Strategic Plan. Its purpose is to set out the arrangements for carrying out the integration functions within the Council area as a whole and in localities within the area. The plan should also set out how the arrangements will achieve or contribute to 9 national health and wellbeing indicators.

In developing its plan, the IJB must take account of the integration delivery principles which provide that the main purpose of services is to improve the well-being of service users. The plan should also identify the total resources available across health and social care for each care group and for carers and relate this information to the needs of local populations set out within the Joint Strategic National Needs Assessment.

The plan will be agreed by the IJB, with the Council and NHS Board being key consultees. The plan will inform Council (and the NHS Board) how the resources it allocates to the IJB will be used in pursuance of the outcomes agreed in the Integration Scheme. A draft plan was appended for consideration together with an overview of key issues.

A report to the IJB in December 2016 on partnership funding was provided as an appendix. It will be for Council to determine, as part of its budget setting in February 2016, the actual budgets and amounts that will be transferred to the direct management of the IJB. Discussions in regard to the resources and budgets attributed to activities of the IJB were currently ongoing.

### **Decision**

#### **Council agreed:-**

- (1) that its response to the draft Strategic Plan should reflect the comments set out in section 4 of the report; and**
- (2) to request that officers respond to the Chief Officer of the Integration Joint Board in those terms.**

## **FC76. REVIEW OF STANDING ORDERS**

Council considered a report by the Director of Corporate and Housing Services advising of progress in the review of Standing Orders.

Council agreed on 31 March 2015 (ref FC89) to review Standing Orders, particularly those relating to the order and conduct of business at meetings, following a period of 6 months of participation in the decision making structure by the opposition. The review was initiated on 21 September 2015. Group Leaders were invited to identify particular aspects which gave them concern. The Leaders' Group, comprising the Provost, the Leader of the Administration and Leader of the Opposition, met on 5 occasions to

consider submissions received from the SNP and Non-Aligned Independent Groups. An appendix showing those changes that had attracted a degree of agreement within the Group was provided.

It was noted that matters included in the decision of Council on 18 September 2015 were still being considered by the Group and would be the subject of a future report.

### **Decision**

**Council agreed to note the progress made to date and to continue consideration to a future meeting.**

### **FC77. MOTION – CIVIC ARTS CENTRE/COUNCIL HEADQUARTERS**

On a motion moved by Councillor C Martin and seconded by Baillie Paterson, Council agreed that:

**In recognition of the potentially detrimental impact of the ESA 10 accounting rules and emerging VAT complications as they both relate to the proposed civic arts centre, and in light of growing concern about the impact this may have on the new HQ project, Council instructs officers to bring a full and detailed report to a future Council meeting setting out the impact these factors may have on the project as a whole, to include a detailed analysis of the costs and timeline for the entire project as they are currently projected and a full review of the alternatives available to Council (and the implications of them) in the event that the affordability framework is deemed to have shifted. In the meantime, Council also instructs that no new contractual work be entered into in relation to the project until that report has been considered.**