

AGENDA ITEM 3(a) – UPDATED RECOMMENDATIONS

3.0 RECOMMENDATIONS

It is recommended that the Council:

- 3.1 notes the progress by GAG on its (a) Business Plan and financial management; and, (b) Governance Review;
- 3.2 considers the request from GAG for additional funding of £1.95M;
- 3.3 notes the update from the Cabinet Secretary
- 3.4 approves option 3 as specified in **Appendix 3** to this report;
- 3.5 makes grant available to GAG in the total sum of £1.8M funded from the General Fund Reserve all subject to -
 - (a) The Scottish Government, as partner, contributing support funding of £600,000 as set out in the Cabinet Secretary's letter of 28 January 2015 with it being remitted to the Corporate Director Education, Communities & Organisational Development to finalise detailed terms and conditions;
 - (b) ri, as partner, contributing support funding of £150,000 to meet the costs of outstanding works necessitated by the planning consent;
 - (c) the establishing of a significant earmark reserve of £750,000 to be utilised over a period of 8 years to address the risks associated with the Beacon's income stream as identified by the Chief Financial Officer;
 - (d) GAG and the Council agreeing a Head Lease and reciprocal Operating Lease to assist the continuity of provision of the Arts function at the Beacon;
 - (e) A floating charge over trade fixtures and fittings and all moveable equipment within the Beacon being granted by GAG to the Council;
 - (f) The completion and delivery of an irrevocable mandate from GAG to the Council of all net proceeds (after deduction of legal expenses as may be taxed by the Auditors of Court) arising from all or any of its construction related claims or insurances whatsoever for proportionate reimbursement amongst the Council, the Scottish Government and ri of the shares of their respective contributions to the £1.95M funding request;
 - (g) GAG providing all necessary financial reports and access thereto as may be required for the information of the Council's Chief Financial Officer and providing to the Corporate Director Education, Communities & Organisational Development accurate and up-to-date reports and appraisals of any legal proceedings contemplated or in progress; and
 - (h) Continued commitment and assurances from GAG to complete and maintain the progress of its Governance Review:

all of the above conditions to be satisfactory to the Corporate Director Education, Communities & Organisational Development in consultation with the Chief Financial Officer and Head of Legal & Property Services and other relevant officers;

- 3.6 remits it to the Corporate Director Education, Communities & Organisational Development in consultation with relevant officers and with relevant officers of the Scottish Government and ri and any other funders to agree the detailed terms of this financial support for GAG and to report back with the outcome to the Education & Communities Committee in early course;
- 3.7 approves the virement of £50,000 p.a. from the GTVO budget to that of the Head of Inclusive Education, Culture and Corporate Policy as continuing revenue support, provided

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there is ongoing continuity of provision of services by GAG and subject to other appropriate conditions as determined by the Corporate Director Education, Communities & Organisational Development in consultation with relevant officers; and

- 3.8 remits it to the Corporate Director Education, Communities and Organisational Development to report further to the Council on the Council's representation at Board level on GAG as soon as the new governance arrangements are assessed as satisfactory.