

**Minutes of Meeting** of the Finance, Housing and Resources Committee held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on Wednesday 27 November 2013 at 10.30 am.

**Present:**

Mr D Fallows, Dr D Alston, Mrs C Caddick, Mr A Christie, Mr G Farlow, Mr J Ford, Mr L Fraser, Mr D Hendry, Mr R Laird, Mr C Macaulay, Mr D MacKay, Mr A Mackinnon, Mr H Morrison, Mr F Parr, Mr G Phillips, Mr J Stone, Mrs C Wilson, Mr H Wood, Ms J Douglas (substitute), Mr K Gowans (substitute), Mr J Gray (substitute)

**Non Members also Present:**

Mr A Baxter, Mr B Clark, Mr B Lobban, Mrs L MacDonald, Ms A MacLean, Mr T MacLennan, Mr J Rosie

**Officials in attendance:**

Ms M Morris, Depute Chief Executive  
Ms T Urry, Interim Director of Housing and Property  
Mr D Yule, Director of Finance  
Mr D Lamont, Head of Exchequer & Revenues, Finance Service  
Mr G Westwater, Head of Property, Housing and Property Service  
Mr A Maguire, Head of Property Partnerships, Housing and Property Service  
Mr D Goldie, Head of Housing, Housing and Property Service  
Mr S Fraser, Head of Legal and Democratic Services, Chief Executive's Service  
Ms V Nairn, Head of E Government, Chief Executive's Service  
Mr G Bull, Corporate Property Asset Manager, Housing and Property Service  
Ms C Campbell, Maintenance and Service Support Manager, Housing and Property Service  
Mr F MacDonald, Property Manager (Building Maintenance), Housing and Property Service  
Mr J Robertson, Corporate Improvement Programme Manager, Chief Executive's Service  
Mr C Anderson, Property Manager (North), Housing and Property Service  
Mr J Grieve, Corporate ICT Manager, Chief Executive's Service  
Ms H Cunningham, Property Manager (Asset Management), Housing and Property Service  
Ms R Mackinnon, Equal Opportunities Officer, Chief Executive's Service  
Ms A Clark, Policy Officer, Chief Executive's Service  
Ms E Barrie, Personnel Manager, Chief Executive's Service  
Mr M MacDonald, Personnel Manager, Chief Executive's Service

Mr D Scott, Project Manager, Chief Executive's Service  
Ms P Sproul, Senior Money Advice Officer, Finance Service  
Mrs K Lackie, Business Manager, Chief Executive's Service  
Mrs L Dunn, Principal Committee Administrator, Chief Executive's Service  
Ms A Macrae, Committee Administrator, Chief Executive's Service  
Mr A MacInnes, Administrative Assistant, Chief Executive's Service

An asterisk in the margin denotes a recommendation to the Council. All decisions with no marking in the margin are delegated to the Committee.

## **Mr D Fallows in the Chair**

### **Business**

#### **1. Apologies for Absence**

##### **Leisgeulan**

Apologies for absence were intimated on behalf of Mr H Carmichael, Mrs M Davidson, Mr N Donald, Mr B Gormley, Mrs I McCallum and Mrs D Mackay.

#### **2. Declarations of Interest**

##### **Foillseachaidhean Com-pàirt**

Items 4 - Mr A Christie, Mr G Farlow, Ms A MacLean and Mr G Phillips (all non-financial)

Item 10 - Mr A Christie (non-financial)

Item 13 - Mr A Christie (non-financial)

Item 20 – Mr D Hendry (non-financial)

Item 22 – Mrs J Douglas (non-financial)

Item 23 - Mr A Christie, Mr G Farlow, Ms A MacLean and Mr G Phillips (all non-financial)  
and Ms A MacLean (financial)

Item 33 - Dr D Alston (financial)

Mr G Farlow declared a financial interest in those items relating to council housing as a Council house tenant but, in terms of the dispensation granted by the Standards Commission, remained to participate in the discussion.

### **3. Good News Stories** **Deagh Naidheachdan**

The Council had been awarded the Healthy Working Lives Mental Health Commendation Award. This was in part due to the acceptance of the mental health and wellbeing policy and training, the See Me campaign, and work positive and stress awareness day events. The results and action plans from the Employee Survey also formed part of the submission.

The Committee **NOTED** the award of the Healthy Working Lives Mental Health Commendation Award.

The Committee also expressed their congratulations to Michelle Morris on her recent appointment as Depute Chief Executive. She would take up her post with immediate effect.

### **Finance Service Items**

### **4. Welfare Reform Update** **Aithisg Adhartais Ath-leasachaidh Shochairan**

Declaration of Interest - Mr A Christie declared a non-financial interest in this item as General Manager and Company Secretary of Inverness, Badenoch & Strathspey Citizens Advice Bureau; Mr G Farlow declared a non-financial interest as Director of North West Sutherland Citizen's Advice Bureau; Mr G Phillips declared a non-financial interest as a Director of East Sutherland Citizen's Advice Bureau and Ms A MacLean declared a non-financial interest as a Board Member of Ross and Cromarty Citizen's Advice Bureau but having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that their interest did not preclude them from taking part in the discussion.

There was circulated Joint Report No. [FHR-148-13 \(106kb pdf\)](#) by the Director of Finance and Interim Director of Housing and Property which was one of a series providing an update on the Welfare Reform situation. The Report noted that preparatory work was well advanced in Inverness for the introduction of Universal Credit by the Department for Work and Pensions (DWP) from 25 November 2013. It then considered some issues arising from the wider Welfare Reforms and in particular the Housing-related impacts for tenants of the Council and other landlords.

The Appendix to the report showed statistics on Under Occupancy; rent arrears; and Discretionary Housing Payments that were providing short term mitigation for some households; the Benefit Cap; and the Scottish Welfare Fund.

In presenting the report, the Head of Exchequer and Revenues provided an update on the introduction of Universal Credit in Inverness from 25 November 2013, during which he confirmed that to date four applications had been received.

The Leader of the Council advised that a letter had been received from Lord Freud, Minister for Welfare Reform, in response to his letter seeking support for exemptions from the under occupancy policy for rural communities. However that response had not answered the substantive point in regard to rural exemptions and had displayed a lack of understanding of the issues specific to the Highlands. He had written again to Lord Freud in these terms and while an apology had been received for the reference to the Localism Act, which did not apply in Scotland, within Lord Freud's original reply, he had not yet received a substantive reply in regard to the point about rural exemptions. He confirmed that he would continue to seek a response to his follow up letter to Lord Freud on this issue.

In response to questions the Head of Housing confirmed that he would provide Members with information on the numbers of tenants who had requested a review of their property categorisation.

In discussion Members welcomed the extension of the eligibility criteria for Discretionary Housing Payments to those in receipt of Disability Living Allowances and Personal Independent Payments. In regard to the target group to benefit from the funding awarded to the Council through the Scottish Legal Aid Board's Making Advice Work Grant Funding Programme 2013 to 2015, it was suggested that this be extended to reach out to those people who were unable to cover basic household expenses due to the impact of the reforms.

The Head of Exchequer and Revenues explained that the additional funding which had been received from the Scottish Legal Aid Board was designed to provide additional services, and that the existing Money Advice Team and CABs would continue to assist the public in the Highlands across all the categories.

Thereafter, Members welcomed the approach which had been taken by the Council to mitigate the impact of welfare reform on tenants and the public across the Highlands, and also the level of support, and information and advice which the Council had provided. It was stressed that the Council should continue to make representations on exemptions being provided for rural communities on the basis the Highlands should not be penalised for its lack of supply of smaller houses by which to mitigate the effects of the under occupancy policy.

In regard to Personal Independent Payments which had replaced Disability Living Allowances, it was reported that the descriptors on which eligibility would be assessed would be stricter and the application process would be more complex, and concern was expressed at the impact on claimants particularly those who suffered from mental health conditions.

In response to further questions the Head of Exchequer and Revenues advised that the local project funded through the Scottish Legal Aid Board's Making Advice Work Grant Funding Programme 2013 to 2015, was titled "Reaching the Unreached", and therefore it would target people who required assistance across the Highlands.

A further point was raised in connection with the fact that some remote and rural areas of Highland did not qualify for additional types of funding as they were not included within the current data zone boundaries. It was noted that the Scottish Government had issued a consultation on the redraw of the data zones and it was proposed that the opportunity for Member involvement in this consultation be investigated.

Following further discussion, the Committee:-

- i. **NOTED** the updated information contained in the Report;
- ii. **NOTED** the relevant statistics shown in the Appendix attached to the report;
- iii. **NOTED** that the Leader of the Council was to seek a reply from Lord Freud to his follow up letter on the issue of exemptions from the under occupancy policy for rural communities in Highland;
- iv. **AGREED** that Members be provided with information on the numbers of tenants who had requested a review of their property categorisation; and

v. **AGREED** to investigate the opportunity for Member involvement in the current Scottish Government consultation on the redraw of data zones.

## **5. Finance Service Revenue Monitoring Sgrùdadh Teachd-a-steach Seirbheis an Ionmhais**

There was circulated Report No. [FHR-149-13 \(36kb pdf\)](#) by the Director of Finance which provided information on the revenue monitoring position for the Finance Service for the period 1 April to 30 September 2013.

It was reported that the Finance Service had incurred net expenditure of £7.864m against an annual budget of £11.709m. At this point in the year an overspend of £0.343m was projected.

The Committee:-

- i. **APPROVED** the Finance Service Revenue Monitoring Report for the period to 30 September 2013; and
- ii. **NOTED** the action being taken to address the current forecast overspend.

## **6. Corporate Revenue Monitoring Sgrùdadh Teachd-a-steach Corporra**

There was circulated Report No. [FHR-150-13 \(81kb pdf\)](#) by the Director of Finance which presented the revenue budget expenditure position for the period to 30 September 2013 and the projected year end position.

It was reported that the General Fund had a total annual budget allocated to Services of £562.257m, year to date actual of £212.338m and an estimated year end position of £562.144m, giving an estimated year end underspend of £0.113m (0.02%). There had been a positive movement of £0.437m on the position reported to the last Committee in October 2013 when a year end overspend of £0.324m had been anticipated.

The Committee **APPROVED** the Revenue Expenditure Monitoring Statement for the financial year 2013/14 which showed a predicted net underspend of £0.113m.

## **7. Corporate Capital Monitoring Report Aithisg Sgrùdaidh a' Chalpa Chorporra**

There was circulated Report No. [FHR-151-13 \(47kb pdf\)](#) by the Director of Finance which provided an overview of expenditure on the General Fund and HRA capital programmes for the period 1 April 2013 to 30 September 2013 and the projected year end position for 2013/14.

It was reported that the General Fund statement showed a total net programme budget of £87.254m. The expenditure to date on the programme was £38.246m and the year end estimated outturn was £93.417m. The estimated year end position was an over spend of £6.163m.

Reference was made to the challenges in spending all of the funds in the Capital Programme. Over-programming had been introduced to avoid issues experienced in past years where slippage resulted in the Council under-spending its capital programme. It was anticipated that the full capital allocation would be spent in this financial year and officials were to be commended for this new approach.

The Committee **APPROVED** the financial position of the General Fund and HRA capital programmes as at 30 September 2013.

## **8. Treasury Management: Summary of Transactions Rianachd Ionmhais: Geàrr-chunntas de Ghnothaichean**

There was circulated Report No. [FHR-152-13 \(58kb pdf\)](#) by the Director of Finance which provided details on the Treasury Management transactions for September and October 2013, reflecting activity undertaken to manage the Council's cash flows, and borrowing to fund capital expenditure.

The Committee **NOTED** the Treasury Management Summary of Transactions reports.

## **9. Treasury Management Mid-year Review** **Ath-sgrùdadh Meadhan-bliadhna Rianachd an Ionmhais**

There was circulated Report No. [FHR-153-13 \(165kb pdf\)](#) by the Director of Finance advising that the Treasury Management Mid-year Review Report 2013/14 was submitted to the Committee for Members' scrutiny and interests. In compliance with CIPFA's Code of Practice on Treasury Management in Local Authorities, the report would also be submitted to the Council on 19 December 2013 for approval. The Committee was invited to scrutinise the Treasury Management Mid-year Review Report 2013/14.

Following consideration, the Committee NOTED the Treasury Management Mid-year Review Report 2013/14 and that in compliance with CIPFA's Code of Practice on Treasury Management in Local Authorities, this report would also be submitted to Council for approval in December 2013.

## **10. Finance Service Performance Report** **Aithisg Dèanadais Seirbheis an Ionmhais**

**Declaration of Interest** - Mr A Christie declared a non-financial interest in this item as General Manager and Company Secretary of Inverness, Badenoch & Strathspey Citizens Advice Bureau, but having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that the interest did not preclude him from taking part in the discussion.

There was circulated Report No. [FHR-154-13 \(87kb pdf\)](#) by the Director of Finance which provided a summary of key and statutory performance indicators for the Finance Service as at 30 September 2013. Current year figures were compared with those from the corresponding period in the previous financial year where these were available. In addition, figures from previous years were included where appropriate so that trends might be identified.

Reference was made to the fact that on average 74.6% of invoices were paid within 10 days which was a very efficient performance. However, there were variances to this figure between Services which it was explained was due to the type of services provided and the type of suppliers that Services were dealing with. Work had been undertaken with Services to determine where improvements could be made and performance was monitored. With the



development of Corporate Business Support, procedures were being standardised across the Council and this was one of the reasons for improved performance.

Responding to a question, it was confirmed that there was an increasing demand for support from the Money advice team in dealing with clients who had debts to ‘payday lenders’ which was of concern.

The Committee **NOTED** the Statutory and Key Performance Indicators for the Finance Service in respect of Quarter 2 from 1 July to 30 September 2013.

## **11. Accounts Commission Report – Charging for Services Aithisg Choimisean nan Cunntasan – A' Cur Cosgais air Seirbheisean**

There was circulated Report No. [FHR-155-13 \(951kb pdf\)](#) by the Director of Finance advising that The Accounts Commission had recently issued a national report “Charging for services: are you getting it right?” A copy of the report had been enclosed for consideration, along with arrangements to take forward detailed consideration of the report recommendations.

The Accounts Commission report considered arrangements within Scottish Local Government for charging for services, and set out some findings and best practice recommendations. Highland Council’s position in terms of developing its own corporate approach to charging for services were highlighted in the report. Members welcomed the report which would be useful when determining its charging policies.

Of particular note was a significant variation in charges for Services provided by Councils across Scotland. It was therefore recommended that the income generation project within the Corporate Improvement programme be tasked with determining where Highland Council was positioned in its charges for services compared to other Councils, as there might be additional opportunities for income and to assist in understanding the cost of delivering these services.

Responding to a point raised, it was explained that the Council had approved a general charging policy which allowed for an annual increase of charges in line with the Retail Price Index and any recommendation to increase charges above this rate would be submitted to the relevant strategic committee for approval. Although it was acknowledged that there might be instances when decisions on charging had been delegated to officers, it was highlighted that

the decision to delegate was still made by Members. The Income Generation Project Board would look at what services the Council was currently charging for, including those charges which had been delegated to officers, and this information would be submitted to a future meeting of the Committee.

In terms of raising income through advertising on roundabouts, it was felt that some opportunities had been missed and that the process for attracting income from potential sponsors should be reviewed. An undertaking was given that the Corporate Improvement Programme team would review the process of offering advertising on roundabouts.

The Committee:-

- i. **NOTED** the Accounts Commission report set out on the annex to the report;
- ii. **AGREED** that, following detailed consideration of the Accounts Commission report, the Corporate Improvement Programme Income Generation Project Board be tasked with reporting back to Committee any improvements which emerge and that a list of all charges, including any which had been delegated to officers, be incorporated into the report; and
- iii. **AGREED** that the process of obtaining advertising on roundabouts be reviewed to ensure that opportunities were not being missed and income generation was being maximised.

## **12. Audit Scotland Report – Housing Benefit Risk Assessment Aithisg Sgrùdadh Alba – Measadh Cunnairt Sochair Taigheadais**

There was circulated Report No. [FHR-156-13 \(390kb pdf\)](#) by the Director of Finance which referred to a letter from the Assistant Auditor General, together with attached Risk Assessment Report dated October 2013 setting out the findings from a recent Audit Scotland follow up risk assessment.

It recorded continuous improvement in most areas of performance since the last visit in August 2010 and noted that the Council was in a strong position to effectively deal with the challenges related to the introduction of Universal Credit.

Members expressed their appreciation to officers for the continuous improvements in Housing benefit performance which was particularly commendable given the challenges being faced with the introduction of Universal Credit.

The Committee **NOTED** the Audit Scotland findings and that satisfactory progress had been made in Highland, which would position the Council well to deal with the first introduction of Universal Credit in Scotland.

## **Housing and Property Service Items**

### **13. Housing and Property Service Performance Report** **Aithisg Dèanadais Ràitheil Seirbheis an Taigheadais is na Seilbhe**

**Declaration of Interest** - Mr A Christie declared a non-financial interest in this item as General Manager and Company Secretary of Inverness, Badenoch & Strathspey Citizens Advice Bureau, but having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that the interest did not preclude him from taking part in the discussion.

There was circulated Report No. [FHR-157-13 \(213kb pdf\)](#) by the Interim Director of Housing and Property which provided information on how the Housing and Property Service performed in relation to Scottish Social Housing Charter and other performance indicators during the second quarter of 2013/14.

The report presented performance information in a revised format. If this revised format was preferable, Members were asked to agree that this should form the basis for future reports to the City/Area Committees.

It was noted that households in temporary accommodation over the last three years had decreased and officials were to be congratulated for their work in challenging circumstances. If this decreasing trend continued, it was confirmed that when demand dropped the number of properties set aside as temporary accommodation could be reduced and instead used for permanent tenancies. It was highlighted that although new properties were to be built specifically for temporary accommodation this would add to the Council housing stock in Highland overall.

The Committee:-

- i. **NOTED** the revised format for quarterly reporting and that future reports would be in this format;
- ii. **AGREED** that this form the basis for future quarterly reports to the City/Area Committees; and
- iii. **NOTED** the information provided on housing performance from 1 April to September 2013.

#### **14. Funding for New Council Housing Programme Maoineachadh airson Prògram Taigheadais Ùr na Comhairle**

There was circulated Report No. [FHR-158-13 \(41kb pdf\)](#) by the Interim Director of Housing and Property which provided an update on the new levels of Scottish Government subsidy for the delivery of new affordable housing and sought approval of a new funding package to deliver new Council housing with minimum impact on existing council housing tenants rents.

It was reported that The Highland Council had embarked upon an ambitious new Council House Build Programme of 688 new houses, from 2012-2017, funded partly through the Scottish Government grant of £30,000 per unit. As a comparison housing association grant levels were an average of £46,000 per unit.

This had resulted in the new Council House Build programme being heavily dependent upon rent increases on existing council house rents to cross-subsidise the new Council House Build Programme. Tenants had expressed concerns about the impact of council house building on general rent levels.

The Highland Council, along with other Local Authorities, had lobbied for higher grant rates and parity with housing associations. In response, the Scottish Government had agreed to increase the new build council grant rates to £50,000 if the new houses met Building Regulation Silver Standard and £46,000 if they did not. Register of Social Landlords (RSL) had similar increases so the differential in grant levels remained.

In terms of a recent Seminar on affordable housing, the Council was making significant efforts in providing more affordable housing in Highland, but there was also a need to continue to lobby the Scottish Government for their financial support to Councils and RSL's to be equalised.

The report provided further information on the funding for new Council Housing and the delivery of the build programme. In relation to the additional build of temporary accommodation units in Highland, it was advised that the Council would bring forward in the New Year additional measures to enhance the Council Housing building programme and improve the Council housing stock.

The Committee was asked to agree the new methodology for funding the new Council House Build Programme. Approval by this Committee of the new methodology would allow a programme of new council housing to be developed of up to 120 new houses per annum to be developed with no impact on existing council house rents at current cost levels.

Concern was expressed regarding the proposal to increase the new build supplement to £10 per week on new build Council rent levels as it was queried when did a new house become an old one, and if an old house was refurbished, did this then become a new house. Justification for the supplement was that the new build properties had higher energy efficiencies leading to lower heating costs. It was felt that this was not a sustainable policy when the Council was doing all it could to meet the Scottish Housing Quality Standards of refurbishing properties and these properties would become equally as energy efficient. In response, it was advised that this was a good policy at the current time in terms of delivering more housing for people in Highland and welcomed that the onus of funding new builds was not now on tenants. If the policy required to be adjusted in future this would be considered at the appropriate time.

To enable the delivery of new council housing at minimum impact on existing council house rents, the Committee **AGREED**:-

- i. to amend the current rent structure to increase the new build supplement to £10 per week on new build Council rent levels;
- ii. an increase in the level of landbank fund subsidy from the current level of £10,000 per unit to £20,000 per unit; and
- iii. this recommendation in principle and subject to a future report to Committee on overall rent increases and investment levels.

## **15. Fort William Office Review**

### **Pròiseact Sgioblachaidh Oifis a' Ghearasdain**

There was circulated Report No. [FHR-159-13 \(942kb pdf\)](#) dated 2013 by the Interim Director of Housing & Property which presented the findings and recommendations of the Fort William Office Review. It sought agreement for the preferred option (the former Fort William Secondary School site), the approach for funding the capital and revenue requirements associated with the preferred option, to negotiate the interim lease arrangements required for the preferred option and for further work to be undertaken to explore the opportunities for purchase of the upper floors of Tweeddale or the surrender of the Council's existing lease.

Members expressed their full support for the work undertaken on the Fort William Office Review and the outcome that was being recommended. In particular, Members praised the collaborative approach which had been taken with stakeholders throughout the process. The proposals would generate significant savings for the Council as well as the advantage of retaining a town centre presence which it was felt added a positive dynamic for the High Street. However, concern was noted that there had been a lengthy lease arrangement for the Tweeddale building, and it was requested that information on all long leases of buildings that the Council had entered into be provided. In addition, Members stressed their desire for the conversion of the Tweeddale building into residential units to encourage people to live in the town centre and the potential for this building to be utilised for housing for older people was also highlighted.

The Committee **NOTED** the approach and outcomes of the Fort William Office Review and **AGREED** that:-

- i. Option 5 (Former Fort William Secondary School site) be the preferred option for the Council's main office accommodation;
- ii. the Council seek to negotiate the interim lease arrangements for Lochaber House and Fulton House required to deliver the preferred option on terms to be agreed by the Director of Finance and the Director of Capital & Development;
- iii. a detailed feasibility study to investigate converting Tweeddale into residential units be carried out by the Council;
- iv. in conjunction with recommendation iii. above, the Council seek to agree terms for the purchase of Tweeddale offices and for the release from the existing Tweeddale lease;
- v. based on recommendations iii. and iv. above, a report containing detailed proposals for Tweeddale be brought to the Finance, Housing and Resources Committee within approximately six months;
- vi. capital requirement for the preferred option could be met from the agreed

budget allocation in the Capital Programme (HP/2013/01 SAM: Property Rationalisation Review);

- vii. a proposal to use the Strategic Change and Development Fund to cover the additional revenue requirement for the preferred option be submitted for approval to a future meeting of The Highland Council; and
- viii. a report be submitted to a future meeting with information on all the long term leases of buildings that the Council had entered into, how long the leases were; whether there were break points in these leases; and when they had been signed.

## **16. Housing and Property Service Revenue Monitoring Sgrùdadh Teachd-a-steach Seirbheis an Taigheadais is na Seilbhe**

There was circulated Report No. [FHR-160-13 \(146kb pdf\)](#) by the Interim Director of Housing and Property which presented the current position to 30 September 2013 with regard to the Revenue Monitoring Statements for the Housing Revenue Account, other Housing and Property Revenue Account, Property Revenue Maintenance and the Building Maintenance Account.

In terms of the Housing Revenue Account, so far an underspend was projected on management costs, largely due to short term staff vacancies. An overspend was projected on repairs and maintenance. This was being kept under review and action would be considered to bring spend back into line with budget. Void rent loss was shown as a debit in the income section of the monitoring report. Rent loss on empty houses remained higher than budgeted. Reducing void rent loss was a key priority for service managers. Overall Capital from Current Revenue was projected to be £44,000 below budget.

In relation to the Other Housing and Property Revenue, an underspend was projected on homelessness accommodation costs, with a corresponding reduction in projected income. It was reported that the number of framework tendered rooms used for homelessness had reduced by 57 since April, 2013 and the reduction was mainly in the Inverness and Fort William areas.

It was reported that 59% of the Property Revenue Maintenance Programme had been spent or legally committed and that in addition to the £4.5m in the ledger for Building maintenance there were work orders to the value of £2.2m at the closed stage due to come into the ledger.

The Committee **NOTED** the monitoring statements to 30 September 2013 for the Housing Revenue Account, Other Housing and Property Revenue Account and Building Maintenance account and progress with the Property Revenue Maintenance programme.

### **17. Housing and Property Service Capital Budget 2012/13 Buidseat Calpa Seirbheis an Taigheadais is na Seilbhe 2012/13**

There was circulated Report No [FHR-161-13 \(209kb pdf\)](#) by the Interim Director of Housing and Property which gave an update on the position regarding expenditure to 30 September 2013 for the HRA Capital, Non HRA Housing Capital and Property Capital Programmes.

The HRA Capital Programme showed a total budget of £41m, comprising £17.558m for the mainstream programme and £23.442m for Council house building. It showed the overall level of spend to 30 September 2013 at £17.454m of which £8.454m related to the mainstream programme, £9m related to new build and £0.455m related to new build through the temporary accommodation re-provisioning project.

The report provided comment on the programmes relating to the Non HRA Capital Programme and Private Sector Housing Grant Programme, including budgets and summaries of expenditure to date.

Reference was made to the Dingwall Office Accommodation Review. Members expressed concern over the lack of consultation and engagement with local Members, Ross and Cromarty area Members and particularly staff on the review. While they were in support of the principle of office rationalisation, a common sense business approach had to be adopted which involved consultation with staff prior to decisions being made. However, decisions had been taken without this consultation, the project had not been thought through properly resulting in significant business interruption and concern was expressed that the whole process had been poorly managed. In particular, Members expressed concern at the lack of information, despite repeated requests, as well as the lack of communication which was causing anxiety for staff and making them feel undervalued. In response, the Interim Director of Housing and Property advised that there had been an outline business case presented to Committee in October 2012 which gave a mandate for the office review and she gave details of the significant savings projected from this project. She further reported that a detailed business case had been prepared and had been presented to Senior Management and Members. In terms of concerns over consultation, she advised that the communication process was being developed as implementation of the project progressed. In addition, since the initial concerns raised, there had been staff and local Member briefings on progress with the project. However, in view of concerns raised, it was proposed that a full review be



undertaken to ensure appropriate engagement and consultation with Members and staff. It was further requested that a progress report be submitted to the next meeting.

Following discussion, the Committee:-

- i. **NOTED** the current position to 30 September 2013 for the HRA Capital, Non HRA Housing Capital and Property Capital accounts; and
- ii. **AGREED** that in relation to the Dingwall Office Rationalisation Project a report would be submitted to the next meeting.

### **Chief Executive's Service**

#### **18. Chief Executive's Service and Members Revenue Expenditure Monitoring Seirbheis an Àrd-oifigeir agus Buill: Sgrùdadh Caiteachas Teachd-a-steach**

There was circulated Report No. [FHR-162-13 \(44kb pdf\)](#) by the Chief Executive which provided information on the revenue monitoring position for the Chief Executive's Service for the period 1 April 2013 to 30 September 2013 along with a request for Members to approve a contribution from the Service budget towards the Dingwall Town Hall conservation project.

The report advised that the Chief Executive's budget showed a projected net year end underspend of £0.059m, an increase on the previous period. Pressures continued to be anticipated in the Service Point Network and Licensing income. However, these would be more than offset by savings arising from staff vacancy management and reduced spend in other budgets. The Service would continue to work to manage pressures across all of its budget headings to achieve a balanced budget position at the year end.

In discussion it was noted that the report included a reference to a projected underspend of £0.022m for the previous period 1 April to 31 August 2013. It was confirmed that this had been corrected to £0.012m at the last meeting of the Committee on 9 October 2013. The Chair requested that this correction be carried forward to future reports.

In response to a question the Business Manager reported that the projected year end underspend of £0.059m took account of the additional funds from the Strategic Change and Development Fund for the costs relating to Customer Services resource transfer (£0.057m), and also the funding from the Future Change Implementation that had been made available for Customer Services excess mileage (£0.010m). She clarified that if Members agreed a contribution of £20,000 from the budget to the Dingwall Town Hall conservation project as recommended in the report, then the budget would show a projected net year end underspend of £0.039m.

The Committee:-

- i. **AGREED** the revenue monitoring report for the period 1 April 2013 to 30 September 2013, subject to the correction and to ensure that this was not carried forward in future reports; and
- ii. **APPROVED** a contribution of £20,000 from the Service revenue budget for the Dingwall Town Hall project.

#### **19. Chief Executive's Service: Capital Budget Monitoring 2013/14 Seirbheis an Àrd-oifigeir: Sgrùdadh Buidseat Calpa 2013/14**

There was circulated Report No. [FHR-163-13 \(56kb pdf\)](#) by the Chief Executive which set out the position on the Chief Executive's Service 2013/14 capital budget for the period to 30 September 2013.

The report advised that the budget showed a projected combined underspend of £2.558m at the end of the financial year which was an improvement on the position reported for the previous period, when an underspend of £2.747m was forecast. The report provided further information on the predicted underspends on the Kingussie office rationalisation project, ICT Contract Asset Investment, and the Unified Communications Project.

The Committee **AGREED** the Chief Executive's Service Capital budget monitoring report for the period to 30 September 2013.

#### **20. Website Development Update Cruth-atharrachadh Ceangal Luchd-ceannaich: Fios às Ùr Làraich-lìn**

**Declaration of Interest** - Mr D Hendry declared a non-financial interest in this item on the grounds that he was a Director of a digital marketing business but having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that his interest did not preclude him from taking part in the discussion.

There was circulated Report No. [FHR-164-13 \(66kb pdf\)](#) by the Depute Chief Executive which advised that the Customer Engagement Strategy set out the approach to the development of the web as a customer contact channel. This included expanding the delivery of services online and improving access to and quality of information available on the Web. The Council's current Web Content Management System (WCMS) required to be replaced, and the report provided an opportunity to review and improve the website with a strong customer perspective.

The report continued that the procurement of a new WCMS was the first stage of work, budget approval was given in July 2013 and an award of contract had now been made. The focus was now on implementation and maximising the benefits that an improved website could offer to the Council and its customers and the purpose of the report was to set out the aims for the website development and the work required achieving those aims.

In discussion it was emphasised that the development of the website should also concentrate on what the Council would be required to deliver in future years in terms of web technology. In particular there was an increasing use of hand held devices and therefore consideration should be given to developing web based applications to deliver information and services.

Reference was also made to the need to improve the navigation and search facilities on the website to make it more accessible to the public, and also to structure the website to promote and increase the use of the range of services available.

Further comments from Members related to on-line payments and the need for the Council to specify more clearly the nature of such payments on, for example, customers bank accounts. It would also be helpful for Members in recording enquiries or complaints from members of the public on the CRM system to be able to attach photographs.

The Chair reported that a Members workshop on the development of the website would be held in the New Year and he encouraged Members to attend this event.

The Project Manager advised that improving the navigation and search functionality of the website was a key focus of the design process. He reported that the new website was being developed by the Council's supplier based on a responsive design so that it could be accessed irrespective of the device being used. He explained that following the launch of the new website in April 2014, the Council would continue to investigate the use of technology to develop its own web based applications to deliver information services.

The Committee **NOTED** progress in developing a new website and improving on-line delivery of services to customers and that a Members workshop on the development of the website would be held in the New Year.

## **21. Customer Contact: Unacceptable Actions Policy** **Ceangal Luchd-ceannaich: Poileasaidh Ghnìomhan Neo-thaitneach**

There was circulated Report No. [FHR-165-13 \(57kb pdf\)](#) by the Depute Chief Executive which sought approval for a policy to manage contact arrangements for those customers whose behaviour or actions were considered to be unacceptable, in line with guidance from the Scottish Public Services Ombudsman (SPSO).

The Council worked closely with the SPSO to ensure that it managed complaints from customers effectively and in line with guidance. However, the SPSO recognised that, on some occasions, the behaviour or actions of customers could be unacceptable, and had adopted an Unacceptable Actions Policy (UAP) to manage such behaviours. In order to protect Members and staff, the Council was also seeking to adopt a UAP, based largely on SPSO policy. A copy of the proposed policy was attached at Appendix 1 to the report.

In response to a question the Head of E-Government confirmed that the relevant local Members would be informed when it was considered necessary to manage the contact arrangements for a customer whose behaviour or actions were considered to be unacceptable in terms of the policy.

Discussion then focused on cases where it might be necessary to restrict a customer's contact with the Council specifically in cases where front-line staff had been subject to repeated visits from that customer.

The Head of E-Government explained that such cases were few in number and that such customers would be managed appropriately in line with the policy. Therefore the customer would be reminded of the nature of the restrictions and the channels through which their contact with the Council would be managed. She advised that the Council's Service Point staff were excellent at dealing with difficult customers, and also referred to the importance of distinguishing between customers who might be upset or distressed due to the circumstances leading up to a complaint being made to the Council and those customers whose actions were considered to be more challenging.

During further discussion on this issue it was suggested that the provision of further support to front-line staff be investigated in cases where it was considered appropriate to restrict customer contact in person.

The Committee **APPROVED** the Unacceptable Actions Policy as set out at Appendix 1 to the report and **AGREED** that the provision of further support to front-line staff be investigated in cases where it was considered appropriate to restrict customer contact in person.

## **22. Corporate Improvement Programme Prògram Leasachadh Corporra**

**Declaration of Interest** - Mrs J Douglas declared a non-financial interest in this item on the grounds that she was an advisor on the Badenoch and Strathspey Community Transport Company but having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that her interest did not preclude her from taking part in the discussion.

There was circulated Report No. [FHR-166-13 \(152kb pdf\)](#) by the Depute Chief Executive which advised that the Corporate Improvement Programme (CIP) was progressing well with a target to achieve £5.98m in efficiency savings for the period 2013/14 and 2014/15. Some slippage was reported for two projects and the report highlighted the mitigating actions being taken to ensure these projects, and related savings, were delivered on target. The final part of the report dealt with the approach to developing a programme for post-2014/15.

In discussion Members commented on the current focus on advertising and sponsorship under the Income Generation Project. The view was expressed that more ambitious targets could have been set and further opportunities developed to maximise income generation in this area. It was also suggested that other issues should be examined such as whether the level of

return justified the resources being invested in advertising and sponsorship, and if there were obstacles in terms of increasing the target.

In response the Chair suggested that it would be helpful if all the issues and opportunities around advertising and sponsorship were reviewed.

In regard to the new Corporate Improvement Programme 3, it was suggested that clear targets were identified and agreed as early as possible in 2014 in the process of developing the various strands of the new Programme.

Following on from the above concern was expressed at the delay in the Lochaber pilot project under the Integrated Transport Provision Project due to the inability to secure funding from all of the main partners.

Mr G Phillips reported that as Chair of the Transport, Environmental and Community Services Committee, he had discussed the issues around the Lochaber pilot with Scottish Ministers. Arising from those discussions Mr K Brown, Minister for Transport, had confirmed he would seek to resolve the matter on receipt of a written request by the Council.

Discussion then followed on the wind turbine business model and the opportunities for local Members to be consulted on potential sites for wind turbine projects within their wards. It was suggested that it would be appropriate for Members to be consulted through their ward business meetings in this regard.

Thereafter, the Programme Manager responded to a number of questions during which he advised that only cashable savings on revenue budgets could be recorded as savings achieved by the Programme; that the Personnel Administration/Resourcelink project was to be introduced on a phased basis with the first phase due to go live from mid February 2014; and that alternative arrangements were in place for those people who did not have access to the national recruitment portal which he also advised was due to be replaced by a new system in 2014.

The Committee:-

- i. **NOTED** the good progress with the delivery of the Corporate Improvement Programme and the mitigating actions being taken to ensure the Programme, and savings, were delivered on target;
- ii. **NOTED** the development of a new programme;
- iii. **AGREED** that the issues and opportunities around advertising and sponsorship under the Income Generation Project be reviewed; and
- iv. **AGREED** that local Members be consulted through their ward business meetings on potential sites for wind turbine projects under the wind turbine business model.

### **23. High Cost Short Term Credit Creideis Geàrr-ùine aig Prìs Àrd**

Declaration of Interest - Mr A Christie declared a non-financial interest in this item as General Manager and Company Secretary of Inverness, Badenoch & Strathspey Citizens Advice Bureau; Mr G Farlow declared a non-financial interest as Director of North West Sutherland Citizen's Advice Bureau; Mr G Phillips declared a non-financial interest as a Director of East Sutherland Citizen's Advice Bureau; Ms A MacLean declared a non-financial interest as a Board Member of Ross and Cromarty Citizen's Advice Bureau and a financial interest as a member of the HI-Scot Credit Union, but having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that their interest did not preclude them from taking part in the discussion.

There was circulated Joint Report No. [FHR-167-13 \(61kb pdf\)](#) by the Depute Chief Executive and Director of Finance which advised Members of the forms of high cost short term credit available and the work being undertaken both locally and nationally to monitor the activity of this sector, including future regulation.

The report advised that generally there were forms of activity which were considered to be high cost short term credit: payday loans; home credit or doorstep lending; and pawn broking. There was significant work being undertaken by Council officers, from both Trading Standards and the Finance Service's Money Advice Team, to monitor this area of financial activity. The Council's teams worked in partnership with the network of CABx in Highland, and the CABx and their parent organisation Citizens Advice Scotland had also been monitoring the effects of payday and doorstep lenders on their client base. The recently established Highland Consumer Partnership would assist in taking this work forward.

The report also outlined ongoing action in regard to future monitoring and regulation at a local and national level. The report also discussed the two areas in which the Council could

take a further role in relation to payday/doorstep lending, specifically through awareness raising, and monitoring and restricting access.

In presenting the report the Head of Legal and Democratic Services reported that the Chancellor of the Exchequer had announced during the week that the new Finance Conduct Authority would be asked to decide on a cap on the cost of pay day lending, with an anticipated implementation date of 2015.

In discussion Members expressed their opposition to the high-cost short-term credit offered by pay day lending companies and their concern at the impact of increasing levels of debt on the poorest in society. Members expressed concern that this type of credit was being used by many people to cover basic household expenses. There was also a need to consider measures to restrict the prevalence of pay day lender premises in city centres.

Members further commented that there was a need to raise awareness that unsolicited door step lending was a criminal offence in a bid to rid communities of the problem. The Chair referred to the potential for this to be highlighted through the Council's website, with members of the public being advised to contact either the Council or Police Scotland if they had any information in relation to this activity.

Discussion then focused on the need to raise awareness of the HI-Scot Credit Union as a viable alternative form of affordable credit to consumers across the Highlands. It was suggested that consideration should be given to how the Council could provide additional support in this regard on the basis that it was difficult for the credit unions to compete with pay day lenders in terms of the turnaround of loan applications.

Accordingly it was proposed that the Chair, Mr A Christie and Mrs C Wilson meet in early course with Mr D Mackay, Manager, HI-Scot Credit Union to discuss performance and examine if the Council could provide support with the aim of increasing awareness and membership.

The Chair also referred to the recommendation contained in the report that a representative of HI-Scot Credit Union be invited to make a presentation to the Committee, and requested that this be arranged for the earliest possible date.



Further discussion followed on the need for the Council to lobby at a national level on this issue. The Chair confirmed that he would write to the UK Government, the Scottish Government and the Convention of Scottish Local Authorities to highlight the Council's total opposition to the high-cost short-term credit offered by pay day lending companies and seeking as a priority the introduction of a cap on the level of interest applied to loans.

Thereafter, the Committee:-

- i. **NOTED** the current activity being undertaken to monitor the impact of the availability of high cost short term credit and to offer information and advice to users;
- ii. **AGREED** to continue to support and raise the profile of HI-Scot Credit Union as a viable alternative form of affordable credit to consumers across Highland, and invite a representative to make a presentation to a future meeting;
- iii. **AGREED** that the Chairman, Councillor Christie and Councillor Wilson set up a rapid meeting with Mr D Mackay, Manager of HI-Scot Credit Union to discuss performance and examine if the Council could provide support with the key aim of increasing awareness and membership; and
- iv. **AGREED** that the Chairman write to the Scottish Government, CoSLA and UK Government raising the Council's concerns in respect of pay day lending.

At this point the meeting adjourned for a lunch break and the meeting resumed again at 2.05 p.m.

#### **24. Statutory Performance Indicators - Quarterly Performance Monitoring Sgrùdadh Dèanadais Ràitheil**

There was circulated Report No. [FHR-168-13 \(88kb pdf\)](#) by the Depute Chief Executive which provided detail of a review of the Council's Statutory Performance Indicators (SPI). Information was provided on which SPIs could be reported on either annually or quarterly basis by the Chief Executive's Service. For those that could be reported on a quarterly basis a performance report for Quarter 2 of 2013/14 was provided.

The Committee **NOTED** the Statutory Performance Indicators.

## **25. Amendments to Organisational Structures/Establishments Atharrachaidhean do Structaran Eagarachail/Ionadan**

There was circulated Report No. [FHR-169-13 \(129kb pdf\)](#) by the Depute Chief Executive which recommends amendments to organisational structures/establishments as a consequence of proposals from Service Directors.

The proposals contained within the report showed an overall net increase of 8.3 posts at an overall net cost of £189,500 for proposals which had to be met from Service budgets, with £67,000 of this funded from Preventative spend Money. There was also an extension to 2.1 temporary posts and a net increase of one temporary post that was fully externally funded.

The Personnel Manager reported on two amendments to the report and confirmed that the post of Project Manager, Inverness, Housing and Property Service was a permanent post, and that the proposed deletion of the Fleet Monitoring & Control Officer, TEC Services was being withdrawn to allow further consultation with the staff side.

The Committee **APPROVED** the amendments to the staffing establishment and other staffing changes as detailed in Appendix 1 to the report subject to the following:-

- i. the post of Project Manager, Inverness, Housing and Property Service, was a permanent post; and
- ii. the proposed deletion of the Fleet Monitoring & Control Officer, TEC Services being withdrawn to allow further consultation with the staff side.

## **26. Minutes of Meetings Geàrr-chunntasan Choinneamhan**

The following Minutes of Meetings were circulated and **APPROVED**:-

- i. Welfare Reform Working Group held on [11 October 2013 \(227kb pdf\)](#);
- ii. Appeals Committee held on [28 October 2013 \(136kb pdf\)](#);  
[31 October 2013 \(135kb pdf\)](#); [4 November 2013 am \(137kb pdf\)](#);

[4 November 2013 pm \(133kb pdf\)](#); and  
iii. Early Retirement Sub-Committee held on [14 November 2013 \(80kb pdf\)](#).

## **27. Exclusion of The Public** **Às-dùnadh a' Phobail**

The Committee **RESOLVED** that, under Section 50A(4) of the Local Government (Scotland) Act 1973, the public be excluded from the meeting during discussion of the following items on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 6 & 9 of Part 1 of Schedule 7A of the Act.

## **28. ICT Executive Board: Minutes of Meeting** **Buidheann-obrach TFC Bhall: Geàrr-chunntas Coinneimh**

There was circulated to Members only Minutes of Meeting of the ICT Executive Board (Members) held on 5 November 2013, which were **APPROVED**.

## **29. ICT Sourcing Strategy** **Ath-sholar TFC**

There was circulated to Members only Report No. FHR/170/13 by the Depute Chief Executive which reported on the work undertaken to progress finalisation of the sourcing strategy from the draft that was agreed by both the ICT Reprovision Board and the Members ICT Executive Board in June 2013.

The Committee **APPROVED** the recommendations detailed in the report.

## **30. Communications Support** **Taic Conaltraidh**

There was circulated to Members only Report No. FHR/171/13 by the Depute Chief Executive which set out a business case for re-providing communication support for people who are D/deaf, deaf-blind, deafened and hard of hearing.

The Committee **APPROVED** the recommendations detailed in the report.

### **31. Debts Recommended to be Written-off** **Fiachan a Thathar a' Moladh airson an Dubhadh Às**

There was circulated to Members only Report No. FHR/172/13 by the Director of Finance which advised that in accordance with good accounting practice, the report was one of a series recommending the write-off of uncollectable debts.

The Committee **AGREED** that the total value of debts as detailed in the report be written-off.

### **32. Land and Property** **Talamh agus Taigheadas**

There was circulated to Members only Report No. FHR/173/13 dated 2013 by the Interim Director of Housing and Property which sought approval to take an assignation of the head-lease of Osprey House, Alness Point Business Park and to transfer the ownership of the Former Outdoor Resources Centre (Old Tarradale School) Muir of Ord to the Muir of Ord Hall and Facilities Company at a nominal price, subject to an Economic Development Burden, on terms to be agreed by the Interim Director of Housing and Property.

The Committee **AGREED** the recommendations set out in the report.

### **33. Housing Development Initiatives** **Iomairtean agus Taigheadas a Leasachadh**

Dr D Alston declared a financial interest in this item in relation to one of the organisations named in the report and withdrew from the meeting for this item.

There was circulated to Members only Report No. FHR/174/13 by the Interim Director of Housing and Property which sought approval for the sale of an area of land in Invergordon and for purchase of four houses in Inverness.

The Committee **APPROVED** the recommendations detailed in the report.

### **34. Property Transactions Monitoring Report Aithisg Sgrùdaidh Ghnothachasan Seilbhe**

There was circulated to Members only Report No. FHR/175/13 dated 2013 by the Interim Director of Housing and Property which provided details of the General Fund and Property Account transactions approved by the Head of Property Partnerships and Corporate Property Asset Manager under delegated authority. The report also advised on sales targeted for completion within the financial year 2013/14 and future years.

In response to a question the Head of Housing Development confirmed that he would arrange for discussions to be held with the local Members in respect of a property in South Kessock, Inverness.

The Committee:-

- i. **NOTED** details of the General Fund and Property Account transactions approved by the Head of Property Partnerships and Corporate Property Asset Manager under delegated authority;
- ii. **NOTED** progress on property transactions and sales with anticipated settlement within financial years 2013/14 and future years; and
- iii. **AGREED** that discussions be held with the local Members in respect of a property in South Kessock, Inverness.

### **35. ResourceLink**

There was circulated to Members only Report No. FHR/176/13 by the Director of Finance which sought agreement to a contract extension for ResourceLink specialist advice.

The Committee **AGREED** the recommendations detailed in the report.

The meeting ended at 2.25 pm.