

Minutes of Meeting of the Highland Council held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on Thursday, 27 June 2013 at 10.35am.

1. Calling of the Roll and Apologies for Absence
A' Gairm a' Chlàir agus Leisgeulan

Present:

Dr D Alston, Mr R Balfour, Mr A Baxter, Mr D Bremner, Mr I Brown, Mrs C Caddick, Mrs I Campbell, Miss J Campbell, Mrs H Carmichael, Mr A Christie, Mr B Clark, Dr I Cockburn, Mrs G Coghill, Mrs M Davidson, Mr N Donald, Ms J Douglas, Mr A Duffy, Mr D Fallows, Mr G Farlow, Mr B Fernie, Mr M Finlayson, Mr J Ford, Mr C Fraser, Mr L Fraser, Mr H Fraser, Mr J Gordon, Mr B Gormley, Mr K Gowans, Mr A Graham, Mr J Gray, Mr M Green, Mr R Greene, Mr A Henderson, Mr D Hendry, Mr E Hunter, Mr D Kerr, Mr R Laird, Mr B Lobban, Mr C Macaulay, Mrs L MacDonald, Mr N MacDonald, Mr J McGillivray, Mrs D Mackay, Mr D Mackay, Mr W MacKay, Mr G MacKenzie, Mr A Mackinnon, Ms A MacLean, Mr T MacLennan, Mr A MacLeod, Mr K MacLeod, Mrs B McAllister, Mrs I McCallum, Mr D Millar, Ms L Munro, Mr B Murphy, Mr F Parr, Mr G Phillips, Mr T Prag, Mr M Rattray, Mr I Renwick, Mr A Rhind, Mr G Rimell, Mrs F Robertson, Ms G Ross, Mr G Ross, Mr R Saxon, Dr A Sinclair, Mrs J Slater, Ms M Smith, Ms K Stephen, Mr J Stone, Mrs C Wilson, Mr H Wood

In Attendance:

Chief Executive
Depute Chief Executive/Director of Housing and Property
Assistant Chief Executive
Director of Education, Culture & Sport , Director of Planning & Development
Director of TEC Services
Director of Health & Social Care
Director of Finance
Corporate Manager

Mr J Gray in the Chair

Apologies for absence were intimated on behalf of Mr B Barclay, Mr J Crawford, Mr H Morrison, Mrs M Paterson, Mr J Rosie and Mrs G Sinclair.

Preliminaries

It was **NOTED** that, in terms of Standing Order 17.2, the Convener had agreed that two additional urgent items of business - Regeneration Capital Grant Fund and Linnhe Leisure Limited - should be considered at the meeting in view of the need to progress both matters as quickly as possible.

It was also **AGREED** that, in terms of Standing Order 18, Agenda Item 7: Recruitment Panel – Post of Chief Executive would be considered at 12.45 p.m.

Prior to the commencement of formal business, the Council **NOTED** and welcomed the announcement that EasyJet had now made a commitment to enhance connections between Inverness and London from Spring 2014 as part of a new five year deal with Inverness Airport.

It was also **NOTED** that the peak-time restrictions on the Kessock Bridge would be lifted on Saturday 29 June which would bring to a close the first phase in the upgrade to the bridge.

2. Declarations of Interest Foillseachaidhean Com-pàirt

The Council **NOTED** the following declarations of interest:–

Item 10: Mr G Farlow, Mr A Henderson and Mr K MacLeod (non-financial)

Item 11: Mr A Christie, Mr M Green, Mrs D MacKay, Mr W MacKay, Mrs A MacLean, Mr A MacLeod and Mr I Renwick (non-financial)

Item 14: Mrs H Carmichael, Ms J Douglas, Mr A Duffy and Mr H Wood (non-financial)

Item 16: Ms J Douglas, Mr A Henderson and Ms K Stephen (financial)

Item 17: Mr A Baxter (non-financial)

Item 23: Ms J Douglas, Mr K Gowans, Mr D Millar and Mr F Parr (non-financial)

Item 26: Miss J Campbell, Mr R Laird and Mr K MacLeod (non-financial)

Item 27: Ms J Douglas, Mr B Gormley, Mr K Gowans, Mr D Millar, Mr B Murphy and Mr F Parr (non-financial)

Dr D Alston also declared a non-financial interest in a range of items on the agenda as a Board Member of NHS Highland but, in terms of the dispensation granted by the Standards Commission, confirmed that he would remain to participate in discussion.

3. Duke of Edinburgh Award Scheme – Gold Award Presentation Sgeama Duais Diùc Dhùn Èideann – Toirt Seachad Duais Òir

The Council was advised that, as part of the Duke of Edinburgh Award Scheme, twenty-nine young people from across the Highlands had received the Gold Award in the current year.

In this regard, and following a summary of their achievements, the Convener presented Gold Award badges to the thirteen recipients who were present at the meeting:

Rory Macpherson, Ewan Fraser, Robert Campbell, Kirsty Innes, Douglas Scott, Christopher Hartley, Hannah Stevens, Mark Bain, Peter Ferrier, Callum Vickerstaff, Laura Macleod, Helen Nelson, Eilidh McIntyre

4. Presentation – hub North Scotland Ltd Taisbeanadh – hub North Scotland Eta

A Presentation was undertaken at the meeting by Mr Jim Royan, Chair of hub North Scotland Ltd, during which it was confirmed that the Hub model had evolved from the best practices of PFI and PPP and focused on the public and private sectors working in partnership to achieve a credible balance between best value for the tax payer and a transparent return to the private sector. The partnership arrangement now provided for the Council to be a shareholder with equity in hub North Scotland Ltd and in this regard it was advised that there were five Scottish franchises and the biggest were the Highland & Islands and Grampian franchises for which the shareholding and accounts had recently been finalised and showed a healthy working capital.

A criterion for success would be for hub North Scotland Ltd to perform to the expectation of all shareholders, whether public or private sectors, and this would require the continuing development of a culture of trust and behaviours which were the hallmarks of genuine partnership. In this respect, it was confirmed that the ingredients of success would include an understanding of the portfolio of services which hub North Scotland Ltd had on offer, how best they matched clients' needs through early engagement, clarity of expectation and close working through key relationships and evidence based outcomes. Of critical interest to the Highland Council was the schools project which represented collaboration across organisational boundaries and which had already resulted in savings of £2m.

In this respect, the Wick High School project was currently at the detailed design stage with the planning submission having been completed. Structured stakeholder engagement was being led by the Council with support from the hub as an important element of defining and delivering this asset for the community. In addition, the Inverness Royal Academy project was at the leading edge of phase three of Scotland's Schools for the Future Programme in the North Territory and the partnership arrangements were maturing with help from the experience gained through the Wick project.

During discussion, Members raised the following issues:-

- in terms of construction, it was hoped that every effort would be made to ensure that as many local businesses and apprenticeships could benefit from both the Wick and Inverness Schools projects and it would be helpful if the Council could take steps to facilitate this in terms of informing contractors;
- the vision of the partnership arrangement and the potential opportunities emerging from the Wick and Inverness Schools projects were particularly welcomed;
- partnership relations with hub North Scotland Ltd had been working very well for Wick High School and, in terms of management once the school was built, it would be helpful for further information to be received on the procedure and timeframe for appointing a facilities management agent;
- there was a need for the further information on whether there were any expectations on contractors in terms of apprenticeships, how the company would approach providing better delivery, enhanced quality and improved performance within the given timescales and the policies on fair pay and the provision of a living wage.

In response, it was confirmed that it would be important for the Council to maintain the profile of the Wick School project to encourage as many local contractors as possible to make contact with the company to ascertain the pre-qualification criteria and it was considered that road-shows would be particularly important.

There were clear criteria in terms of the provision of apprenticeships on individual projects and it would be important to ensure that apprentices carried over from one project to another to ensure sustainability over the ten year franchise. In this regard, the issues which had been raised in relation to a living wage had not yet been addressed but would be taken forward.

Further details would also be provided on facilities management in due course and following completion of the Wick project and it was confirmed that this was essentially a matter of customer care in terms of engagement and dialogue with the Council and stakeholders.

Thereafter, and having thanked Mr Royan for his presentation, the Council otherwise **NOTED** the position.

5. Confirmation of Minutes Dearbhadh Geàrr-chunntais

There had been submitted for confirmation as a correct record the Minutes of Meeting of the Council held on [9 May 2013](#) as contained in the Volume circulated separately – which were **APPROVED**.

6. Minutes of Meetings of Committees Geàrr-chunntasan Choinneamhan Chomataidhean

There had been submitted for confirmation as correct records, for information as regards delegated business, and for approval as appropriate, the Minutes of Meetings of Committees contained in the volume circulated separately as undernoted:-

[Link to Minutes Index](#)

Planning, Environment and Development Committee, 15 May
Transport, Environmental and Community Services Committee, 16 May
Caithness & Sutherland Area Committee, 20 May
Adult and Children's Services Committee, 22 May
Pensions Committee, 23 May
Gaelic Implementation Group, 23 May
City of Inverness Area Committee, 3 June
Finance, Housing and Resources Committee, 5 June
Community Safety, Public Engagement and Equalities Committee, 13 June
Audit & Scrutiny Committee, 20 June

The minutes, having been moved and seconded were, except as undernoted, **APPROVED** – matters arising having been dealt with as follows:–

Adult and Children’s Services Committee, 22 May

Page 246, Item 22, Approval of Minute of the Adult Services Development and Scrutiny Sub-Committee of 2 May 2013

It was **NOTED** that the Chair would ensure that the Action Plan in respect of the Care at Home service would be provided for Members of the Adult Services Development and Scrutiny Sub-Committee.

Finance, Housing and Resources Committee, 5 June

Starred Item Pages 290/291, Item 18, Membership of ICT Executive Board

The Council **AGREED** the membership of the ICT Executive Board, including the non-Members of the FHR Committee as listed in the Minute.

Community Safety, Public Engagement and Equalities Committee, 13 June

Starred Item Page 14 (within Supplementary Papers), Item 19, Memorandum of Understanding between Highland Council and Meygen

The Council **AGREED** the Memorandum of Understanding as detailed in the Minute.

8. Membership of Strategic Committees, etc Ballrachd Chomataidhean Ro-innleachdail, is eile

Vice Chair of the Adult & Children's Services Committee

The Council was advised that Mrs L MacDonald had confirmed her intention to stand down as Vice Chair of the Committee with effect from 27 June 2013.

In this regard, the Administration **MOVED** the appointment of Mr G MacKenzie as the new Vice Chair.

Decision

The Council **AGREED** to appoint Mr G MacKenzie as the Vice-Chair of the Adult and Children's Committee.

9. Question Time Àm Ceiste

The following Questions had been received by the Assistant Chief Executive in terms of Standing Order 42:-

(i) [Mr A MacLeod \(15kb pdf\)](#)

To the Chair of the Community Safety, Public Engagement and Equalities (CPE) Committee

“What progress is being made towards making sure that as many 16 and 17 year olds in the Highlands are registered in time to cast their vote in the Independence Referendum?”

The response had been circulated.

In terms of a supplementary question, Mr MacLeod queried as to whether the Chair of the CPE Committee agreed with him that the Council needed to recognise the need for more civic education in Highland Schools, that this civic education should be impartial, that schools were no place for party political propaganda and that no Highland school should receive “Better Together” lesson plans.

In response, the Chair of the CPE Committee gave his assurance that the Council, through its Election Office, would do its best to ensure that all children of voting age were informed and educated in the importance of voting on any issue and that this approach would apply to people of all ages.

(ii) [Mr A Baxter \(15kb pdf\)](#)

To the Chair of the Transport, Environmental and Community (TEC) Services Committee

“How much has been awarded from the £1 million allocated for roads within the Strategic Change and Development Fund as agreed at the Special Council meeting on 7 February 2013?”

The response had been circulated.

In terms of a supplementary question, Mr Baxter asked, since it was now five months since this issue had been discussed at the budget meeting, when the Chair of the TEC Services Committee anticipated that the first roads would benefit from this extra expenditure.

In response, the Chair of the TEC Services Committee confirmed that advance consideration had been given to the agreement and funding would be programmed immediately with a full report being submitted to the August meeting of the TEC Services Committee. At that time, the Committee would consider a wide range of issues, including addressing drainage problems in the context of flooding that had recently occurred and replacing defective or inadequate culverts and the provision of additional gullies. Whilst it was too late to increase the current year’s road surface dressing programme, the Service would use the funding to make progress with extensive patching in preparation for surface dressing works in the following year. Various techniques would also be trialled for pothole filling and road

recycling which it was hoped would reduce the need for new road surfacing materials and decrease the carbon footprint.

Decision

The Council **NOTED** the position.

10. Notice of Motion Brathan Glusaid

Declarations of Interest

Mr G Farlow declared a non-financial interest in relation to this item on the grounds of being a Director of Ullapool Community Trust, a member of the Isle Martin Trust and an external Director of Culag Community Woodland Trust 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 his involvement in the discussion.

Mr A Henderson declared a non-financial interest in relation to this item on the grounds of being a Board Member of the Knoydart Foundation, the Isle of Rum Community Trust and the Isle of Eigg Heritage 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 his involvement in the discussion.

Mr K MacLeod declared a non-financial interest in relation to this item on the grounds of being the Chairman of the Isle Martin Trust 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 his involvement in the discussion.

The following Notice of Motion had been received in accordance with Standing Order 10.1 –

“Following the statement of support by the First Minister at the Community Land Scotland Conference, we propose that Highland Council reaffirms its commitment to land reform and sets an ambitious agenda to contribute to the national target”.

Signed

Mrs M Davidson, Mr A Henderson

During discussion, a number of Members spoke in support of the Motion and welcomed the First Minister’s recent re-affirmation of the Scottish Government’s commitment to Land Reform, the addition of £3m funding into the Scottish Land Fund and the target of 1m acres of Scotland in community ownership by 2020.

In this regard, it was suggested that the current national focus on land reform presented significant opportunities. The Land Reform Review Group had submitted its interim findings and it was now up to the Council to seek every opportunity to lend its influence as it had in the past. This would be particularly crucial if steps were to be taken to include tenant farmers in the land reform agenda in view of the many tenant farmers in Highland. It would also be important to input to the Community Empowerment Bill, to continue to lead on issues involving the Crown Estate and to influence the interpretation of state aid for the community purchase of Forestry Commission land. Many contentious issues around land reform had not been discussed for many years, including a land agency, land tax and compulsory purchase orders, and it was suggested that the Council should now aim to lead on these discussions wherever possible. There was also a need to encourage reasonable business plans from local communities so that the Council could help them to take forward their aspirations and in this regard small seed corn funding from Ward Discretionary Budgets had already generated significant returns.

The Leader of the Administration underlined the commitment from the First Minister and the commitment which had been made in the Council’s Programme in regard to land reform and welcomed the opportunity for helpful and constructive debate. It was confirmed that progress had already been made in many areas of work e.g. actively helping communities in Cape Wrath, undertaking meetings with the Crown Estate at Board and Chief Executive level and holding discussions about the Crown Estate at the Highlands and Islands Conveners Group and the Convention of the Highlands and Islands.

At this point in the meeting, Members paid tribute to the late Mr Alan Macrae, co-founder of the Assynt Crofters Trust, whose commitment and determination had been fundamental in consolidating a powerful consensus for the concept of land ownership in the Highlands.

Decision

The Council **AGREED** – following the statement of support by the First Minister at the Community Land Scotland Conference – to re-affirm its commitment to land reform and to set an ambitious agenda to contribute to the national target.

11. Final Single Outcome Agreement Aonta Buil Singilte Deireannach

Declarations of Interest

The following Members declared non-financial interests in relation to this item but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that their interests did not preclude their involvement in the discussion:-

Mr A Christie, General Manager and Company Secretary: Inverness, Badenoch and Strathspey Citizens Advice Bureau

Mr M Green, Director of Nairn Citizens Advice Bureau

Mrs D MacKay, Director of East Sutherland Citizens Advice Bureau

Mr W MacKay, Director of Caithness Citizens Advice Bureau

Mrs A MacLean, Board Member of Ross and Cromarty Citizens Advice Bureau

Mr A MacLeod, Director of Caithness Citizens Advice Bureau

Mr I Renwick, Board Member of Portree Citizens Advice Bureau

There had been circulated Report No. [HC-13-13 \(29kb pdf\)](#) dated 17 June 2013 by the Chief Executive which summarised the revisions to the [Single Outcome Agreement \(1235kb pdf\)](#) (SOA) – which had been circulated separately - since it had been agreed in draft form by the Council in May 2013.

During a summary of the report, the key changes to the SOA document were detailed, including a new section on community safety, additional work on all the delivery plans and the insertion of previous comments and observations made by Members. In this regard, it was confirmed that there was also a new section which described the process for reviewing community planning arrangements and how appropriate links would be made through partnership working and community engagement on a local basis and further information on this specific aspect of the document would be brought back to Members in due course.

It was also confirmed that it was now being recommended that a place should be offered to the Leader of the Opposition on the Highland Public Services Partnership Performance Board.

During discussion, Members generally welcomed the document and extended their thanks to the staff who had been involved in the significant body of work which had been undertaken in this regard in terms of charting what the Council was committed to undertake with all other public organisations and the third sector across the Highlands. The feedback from the Scottish Government Quality Assurance Panel had highlighted that the SOA represented a mature approach, results oriented, with a strong ethos and growing momentum for partnership delivery and that the Partnership in the Highlands was seen as a robust forum for discussion with a self-awareness which could facilitate further improvements where needed and this was welcomed. In addition, and whilst it was clear that the Council had performed well in comparison with others, it was important to recognise that there was still a lot of work to be undertaken and therefore no room for complacency.

Members also raised the following specific issues in relation to the document:-

- reference should be included in regard to upgrades to the A82 road in line with the Hitrans Action Plan and the Council Programme;
- it was important that specific ward level information was accessed from the document in order for all Members to understand how the SOA would impact in each locality;
- in terms of Section 6 - Safer and Stronger Communities and Reducing Re-Offending - it was encouraging that all organisations had committed to the listed aspirations and that work was continuing to take on board the concerns of vulnerable and minority groups across the Highlands;
- in terms of Section 7 - Health Inequalities and Physical Activity – and specifically in the context of areas of deprivation where many of the facilities that might have been expected to contribute to achieving outcomes had been closed, it was suggested that further information was required as to how the Council could influence this situation;
- due regard needed to be given to the current shortage of cover for the Fire Service in remote areas;
- the inclusion of the Kilbeg development was welcomed; and
- it would be helpful if an abridged version of the document, highlighting its key points and how they related to both the Capital Programme and the operational Programmes of the Council, could be produced.

Decision

Members **AGREED** the Council's contribution to the Highland Single Outcome Agreement as detailed.

Members also **NOTED** the positive feedback on the Highland Single Outcome Agreement and that the development work would be taken forward with partners and supported by the review of community planning. Also, that further information on the proposed arrangements for community planning would be provided after the Summer.

It was further **AGREED** that the Leader of the Opposition should have a place on the Highland Public Services Partnership Performance Board as recommended.

12. Statement of Accounts for the Year to 31 March 2013 Aithris Chunntasan airson na Bliadhna gu 31 Màrt 2013

(i) Highland Council, Pension Fund, Northern Joint Police Board and Highlands & Islands Fire Board

There had been circulated Report No. [HC-14-13 \(77kb pdf\)](#) dated 18 June 2013 by the Director of Finance which introduced the Statement of Accounts for the year to 31 March 2013 for the Highland Council, the Highland Council Pension Fund, the Northern Joint Police Board and the Highland and Islands Fire Board and provided an explanation on major variances on the Council's General Fund at the year end.

In this regard, it was noted that the Statement of Accounts for 2012/13 would be presented to Audit Scotland by the prescribed date of 30 June 2013 and were available in the Members' Library and on the Council Website for information.

During a summary of the report, it was confirmed that the reported outturn for 2012/13 was a surplus of £1.574m (0.27%) and through pro-active management of balances the Council had been able to meet all its financial objectives. Given the challenges created by severe weather events, this had been a significant achievement. The use of balances, particularly the £1.575m additional funding to NHS Highland and the allocation of £8m to the Strategic Change and

Development Fund, Roads Maintenance and Community Challenge Fund were also highlighted.

In addition, Officers were closely examining individual Service budgets and seeking detailed explanations for areas where budgets had been overspent. In particular, detailed reviews would be undertaken of the Transport, Environmental and Community Services budget and the Health and Social Care budget which would clarify whether these budgets were appropriately aligned with service delivery and allow consideration of the actions being taken to address underlying pressures.

During discussion, Members welcomed the reported outturn and the use of balances but suggested that Service net expenditure outturns remained a cause for concern. In terms of the longer-term financial position, there would be significant financial challenges ahead and it was therefore imperative that Services managed budgets within available resources. As such, clarification was sought on when detailed reviews would be undertaken and how long would be required in terms of completion.

In response, it was confirmed that the review of the Transport, Environmental and Community Services budget had already commenced and it was hoped that it would be concluded by August.

Decision

The Council:-

1. **NOTED** the outturn position for 2012/13 for Highland Council as outlined in Sections 3 – 5 of the report;
2. **AGREED** the Unaudited Accounts for the Highland Council, the Highland Council Pension Fund, Northern Joint Police Board and Highland and Islands Fire Board for the year ended 31 March 2013 and noted that these would be presented to the Controller of Audit by the prescribed date of 30 June 2013;
3. **NOTED** that detailed explanations would be presented to the Strategic Committees with regard to the year-end variances from Service budgets; and
4. **NOTED** the action being taken to address budget concerns.

(ii) Highland Council – Strategy and Use of Reserves and Balances

There had been circulated Report No. [HC-15-13 \(53kb pdf\)](#) dated 18 June 2013 by the Director of Finance which set out the current strategy for the Council's reserves and balances and summarised the balances held as at 31 March 2013.

During a summary of the report, it was confirmed that, in relation to the Council's non-earmarked General Fund balance, the recommended strategy continued to be the retention of a minimum sum equivalent to 3% of the Council's net revenue budget and that for 2013/14 this sum was £18.167m. This was the basis on which the statement of accounts for 2012/13 had been prepared and provided an element of additional flexibility above the 3% target of £16.393m based on the base budget of £546.436m which had been agreed in February. In this regard, it was recommended that no further action should be taken on this pending the completion of the audit process although it could be reviewed thereafter in the context of the current year's budget and the deliberations on the following year.

Annex 1 of the report summarised all usable reserves and balances and it was confirmed that these were all earmarked funds held for specific purposes, committed either fully or in part, and in particular attention was drawn to the Landbanking Fund which had been a major contributor in terms of the provision of affordable housing.

During discussion, Members raised the following issues:-

- there was a need for clarification on how long Caithness Heat and Power would remain as an earmarked balance;
- it was important that the Council encouraged Housing Associations to make use of the funding they had previously received to develop land in their ownership prior to making further applications to the Landbanking Fund;
- in terms of the reserves being held, it was suggested that there might be a risk that the Council was adopting too cautious an approach to spending, particularly in view of the areas which were currently in need of urgent funding, such as roads, and as such it might be appropriate to apply some form of risk management over a 2-3 year period to free up some of these reserves and direct them to areas of pressing need; and
- there was a need for constant vigilance regarding risk management matters, particularly in relation to decisions taken elsewhere which affected the Council's financial planning, such as changes in international banking regulations.

Decision

The Council **AGREED** to reaffirm the strategy of retaining a non-earmarked General Fund balance of at least 3% of the Council's Revenue Budget.

The Council also **AGREED** the updated reserves and balances strategy as set out in Annex 1 to the report.

(iii) Strategic Change & Development Fund

There had been circulated Report No. [HC-16-13 \(41kb pdf\)](#) dated 17 June 2013 by the Director of Finance which suggested the criteria by which proposals for the Strategic Change & Development Fund could be considered.

During a summary of the report, it was confirmed that the financial outturn for 2012/13 allowed for an initial allocation of £5m to be allocated as an initial contribution to the Fund. The criteria for dispersal of these funds was also highlighted and to enable early objectives to be met the Council was invited to agree two specific resource allocations at this stage, namely £1m as a one-off additional spend on Roads Maintenance to enable projects to proceed in the current financial year and £0.5m for the Corporate Improvement Programme and Change Management.

During discussion, and in response to questions, it was confirmed that when the Fund had been considered in February the figures had been based on predictions for the year end. However, following changes to Service outturns and the decision of the Council in March to allocate a one-off additional sum of £1m to partly meet the forecast shortfall in NHS Highland, the figures had now been slightly adjusted to take account of the aforementioned issues.

It was also confirmed that further proposals in relation to preventative spend in regard to Older Adult Services would be brought forward in due course for consideration.

Decision

The Council **AGREED** the suggested criteria by which proposals for the Strategic Change and Development Fund could be considered.

The Council also **AGREED** two allocations of resources from the Fund as follows:-
Roads Maintenance - £1m
Corporate Improvement Programme and Change Management - £0.5m

7. Recruitment Panel – Post of Chief Executive Pannal Fastaidh – Dreuchd Àrd-Oifigeir

In terms of Standing Order 18, the Council **AGREED** that this item should be considered at this point in the meeting.

There had been circulated for information Minutes of Meeting of the Recruitment Panel for the post of Chief Executive held on Friday, [21 June 2013 \(71kb pdf\)](#) – which were **NOTED**.

Thereafter, the Convener and Group Leaders paid tribute to Mr Alistair Dodds, Chief Executive, who was to retire on 31 August and commended him for his outstanding commitment and significant contribution to the work of the Council across the Highland area over many years.

Mr Dodds responded accordingly.

The Council adjourned for lunch at 1.15 p.m. and resumed at 1.45 p.m.

13. Revenue Budget: Longer Term Financial Planning Ro-innleachd Buidseit Teachd-a-steach

There had been circulated Report No. [HC-17-13 \(80kb pdf\)](#) dated 17 June 2013 by the Director of Finance which set out the current forecast for the Revenue Budget for the five year period 2014/15-2018/19 and outlined an initial strategy for addressing the funding gap.

During a summary of the report, reference was made to Audit Scotland's recognition that long term financial planning was critical to safeguarding the delivery of priority services. In this regard, it was confirmed that the Highland Council budget for 2014/15 had been substantially balanced as a result of decisions made in February 2013 although there remained a residual budget gap (at that time) of £3.3m. However, increases to the loan charge budget to meet proposed changes in the Capital Programme had now resulted in a revised budget gap of £3.6m. In addition, and through to 2018/19, there was an anticipated total funding gap of £82.2m. It was therefore stressed that the forecasts carried significant financial risks and these had been outlined in the report although it was considered that,

through forward financial planning, the Council had time to consider its options to address this situation.

It was acknowledged that future years would be particularly challenging and there was therefore a critical need for all Members and Officials within the Council to be active in terms of finding ways to meet growing deficits without material impact on Services wherever possible.

During discussion, Members raised the following issues:-

- the Council was commissioning Adult Services from NHS Highland which was also facing financial challenges and the Revenue Budget therefore needed to take account of the projected 5% annual increase in numbers of older people and the issues which could arise as a result of this increase;
- it was fully accepted that there would be a period of considerable change ahead for Local Government and there was therefore also a need to look at the Revenue Budget much more imaginatively in future;
- the Bank of England had confirmed that bond yields were rising and that this could have an upward impact on UK interest rates and it was suggested that consideration should be given as to how this might impact on the Revenue Budget and the Council's Pension Fund; and
- given the financial situation, it was queried as to how long the freeze in the Council Tax could be maintained.

Decision

The Council **AGREED** the budget strategy outlined in Section 4 of the report and the action proposed to address the funding gap in 2014/15.

14. Capital Programme Review: 10 Year Programme 2013/14 to 2022/23 Prògram Calpa

Declarations of Interest

Ms J Douglas declared a non-financial interest in this item on the grounds of being a Director of High Life Highland Ltd 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 involvement in the discussion.

Mrs H Carmichael, Ms J Douglas, Mr A Duffy and Mr H Wood declared non-financial interests in this item on the grounds of being Directors of Inverness Leisure but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that their interests did not preclude their involvement in the discussion.

There had been circulated Joint Report No. [HC-18-13 \(154kb pdf\)](#) dated 18 June 2013 by the Director of Finance which set out the proposed long term Capital Programme for the 10 years 2013/14 to 2022/23. In this regard, the first five years were proposed as a firm Programme based on an affordability assessment and the second five years were set out on an indicative basis pending a future assessment of affordability.

During a summary of the report, it was confirmed that, in regard to Programme Proposals, and with specific reference to the Firm Programme for 2013/14 to 2017/18, an affordability line had been shown with prioritised projects above the line being within the Programme at this time. Those projects falling below the affordability line had been shown for information only and did not form part of the agreed Programme which the Council was being asked to consider at this time. However, it was advised that should funding or other circumstances alter, projects below the line might be able to be taken into the Programme at a future date.

Within the affordability line, there were five proposals which had been shown on the basis that they were recognised as priorities by the Administration but where it had not been possible to provide funding at this time, namely A890 Stromeferry, Academy Street (Inverness), Inverness Museum and Art Gallery, Broadford Airfield and Caol Link Road (Fort William). In this regard, an affordable funding package or alternative delivery mechanism would need to be identified for these projects.

In relation to the Indicative Programme 2018/19 to 2022/23, no affordability line had been shown given the uncertainty over funding over this longer term period and the desire to provide flexibility to a future Council in allocating investment to projects over that period. With no affordability limit set, or affordability line drawn, it was stressed that it was not to be assumed that all projects shown could be afforded or taken forward over that five year period.

During discussion, Members extended their thanks to the Officers involved in the compilation of the report and raised the following issues:-

- this was a very ambitious Programme which addressed the Council's Programme commitment to focus on the economy, provide improved infrastructure and facilities and make best use of resources;

- the elements of over-programming would enable the Council to seize opportunities as and when they arose in future;
- there was a need for further information in relation to the future budget allocation for the National Housing Trust;
- the major investment in schools, the inclusion of Broadford Airfield, Gypsy Traveller sites, Portree Hostel, Lochaber High School, video conferencing and increased numbers of 20 mph zones were all welcomed;
- there was concern in relation to the projects which had not been prioritised and would therefore have to compete for funding through Service Committees in due course;
- there were also concerns that some projects had not been included, such the Fort William Waterfront project or proposals for land in Council ownership at Blar Mhor; and
- in terms of community planning and equalities, it had been hoped that a commitment could be made to spend money on office rationalisation in Merkinch which would provide an opportunity for a substantial family centre to bring together the offices for Integrated Children's services.

Decision

The Council:-

- (a) **AGREED** the firm Capital Programme for the five years 2013/14 to 2017/18 as set out on Annex 1 and 2A;
- (b) **NOTED** the below the line projects set out on Annex 2A, these not being progressed within the Programme at this time; and
- (c) **NOTED** the indicative Programme for the five years 2018/19 to 2022/23 with final Programme and affordability for these years still to be determined.

15. Annual Efficiency Statement 2012/13 Aithris Èifeachdais Bhliadhnaile 2012/13

There had been circulated Report No. [HC-19-13 \(50kb pdf\)](#) dated 17 June 2013 by the Director of Finance which set out the Council's Annual Efficiency Statement (AES) for 2012/13.

During a summary of the report, it was confirmed that since 2006/7, Scottish Councils had been required to publish Annual Efficiency Statements to demonstrate the efficiency gains delivered each year. The Highland Council 2012/13 Annual Efficiency Statement, which had been appended to the report, had been prepared in accordance with the CoSLA Guidance – 'Efficient Government Reporting – Guidance for Local Authorities in Scotland' and CoSLA

had asked for all Efficiency Statements to be submitted by 27 August in order that an amalgamated Local Government efficiency return could be made to the Scottish Government.

Whilst no cash target had been set on a per Authority basis, the Council's estimated target based on 3% efficiencies had been £10.2m. However, the Council had exceeded this target by achieving savings of £11.404m.

It was also advised that the assumed target had excluded £2.5m which was the target which could be attributed to Adult Care Services and it was expected that NHS Highland would be responsible for identifying and reporting on efficiencies in this regard.

Decision

The Council **AGREED** the Annual Efficiency Statement as circulated.

16. Instrumental Music Tuition Oideachadh Ciùil Innealach

Declarations of Interest

Ms J Douglas and Ms K Stephen declared financial interests in this item on the grounds of paying for music tuition for family members and left the Chamber during discussion of the item.

Mr A Henderson declared a financial in interest in this item on the grounds that a family member was involved with music tuition 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 his involvement in the discussion.

There had been circulated Report No. [HC-20-13 \(23kb pdf\)](#) dated 18 June 2013 by the Director of Education, Culture and Sport which provided information on the current

arrangements for charging for instrumental music instruction in Highland and the Instrumental Music Group national review.

During a summary of the report, it was confirmed that the Council currently charged the majority of pupils receiving instrumental music instruction, including those studying on an SQA music course, although there was a comprehensive and robust Exemptions Framework in place which had been designed to ensure that students were not disadvantaged by the charging policy.

In this regard, the Instrumental Music Group which had been set up by the Scottish Government had reviewed practice and arrangements across Scotland and had held meetings with Elected Members and Officials within the Council following which it had been considered opportune to review the current charging policy. As a consequence, it was now proposed that the Council should cease charging for SQA music courses with effect from August 2013 on the basis that this would also apply to pupils in S4, S5 and S6.

It was confirmed that the impact of the proposed change to the charging scheme would be met from the Learning and Teaching Budget allocation within the Education, Culture and Sports Service Revenue Budget.

During discussion, Members raised the following issues:-

- whilst agreeing with the recommendations within the report, there was still a need to further refine and enhance the current charging policy in regard to music tuition in line with other Local Authorities across Scotland;
- it was imperative that as many children as possible were encouraged to become involved in music tuition in the future;
- in order to reduce costs and encourage participation, distance learning should be promoted and progressed wherever possible across the Highlands;
- it had been highlighted that children who had shown an interest in learning to play a musical instrument had also shown an improvement in their learning outcomes across all areas and this was welcomed;
- by taking this progressive approach, the Council had ensured that young people were equipped with some of the key attributes which would be needed to take their careers forward in the creative industries as well as having some very useful transferrable skills which would be of value to all sectors of industry in the Highlands;
- there was a need to establish whether this would still be affordable if there was a greater uptake and whether there was there a need for more tutors, as well as ensuring that there were sufficient funds available to enable continuation in the future; and
- it was important that primary school children were also encouraged to become involved in music tuition wherever possible.

Decision

The Council **AGREED** that the Highland Council should cease charging for students in S4, S5 and S6 who were receiving instrumental music instruction and were studying an SQA music course with effect from August 2013.

17. Community Challenge Fund Maoin Dùbhlain Coimhearsnachd

Declaration of Interest

Mr A Baxter declared a non-financial interest in this item as Chair of Kinlochleven Community Trust 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 his involvement in the discussion.

There had been circulated Report No. [HC-21-13 \(61kb pdf\)](#) dated 18 June 2013 by the Assistant Chief Executive which recommended approval of applications for the Community Challenge Fund and provided an update on the operation of the Fund.

In this regard, there had been circulated Minutes of Meetings held on [18 December 2012 \(37kb pdf\)](#), [13 February \(28kb pdf\)](#), [18 April \(32kb pdf\)](#), [6 June 2013 \(31kb pdf\)](#).

During a summary of the report, it was confirmed that the Fund had been launched in January 2013 and communities invited to submit Expressions of Interest for Round One by 1 February. A subsequent invitation had been submitted for Round Two with a deadline of 1 May.

In relation to Round One, thirty five Expressions of Interest had been submitted and considered and the Panel had agreed that six met the relevant criteria and should be invited to submit full applications. To date, three applications had been received and it was now recommended that the applications from the Kyle & Lochalsh Community Trust and Fort Augustus & Glenmoriston Community Company should be approved. It was confirmed that the other application, from the Nairn Cricket Club, had now been withdrawn. The further

three applications from Round One were expected to be submitted for consideration in due course.

In regard to Round Two, eight Expressions of Interest had been submitted and the Panel had agreed that one met the relevant criteria and should be invited to submit an application.

In relation to the overall Community Challenge Fund application process, it was considered that lessons had been learned from the implementation of Round One and steps taken to improve the process for applications, including the first point of contact being Ward Managers, clear guidance in place for Officers in regard to their role of providing information and support to applicants (with a Lead Officer allocated to each Expression of Interest), a Seminar being arranged for all Officers (and also including partner organisations who had Community Development Officers working with communities) and formal arrangements being put in place to ensure that partner organisations had the capacity to support groups who wished to develop applications for the Fund.

During discussion, Members raised the following issues:-

- both of the projects which had been recommended for approval represented a higher level of service at the same cost and this was welcomed;
- it was important that Ward Members and partners were included as part of the process as had been detailed in the report;
- although only two projects were recommended for approval, a number of other projects had found the process to be very helpful in terms of the future progression of proposals and this had been beneficial for all concerned;
- there had been some misunderstanding of the criteria involved in the process and there was a need for future clarification in this regard;
- the creativity and range of ideas which had been put forward by communities was very exciting and warmly welcomed;
- there was a need to learn lessons from the first two rounds, particularly in terms of the feedback provided for groups and organisations and the timescales for the submission of applications;
- the progression of the projects which had been recommended for approval would be of benefit for the local communities and for tourists to these areas and this was welcomed;
- importance should be placed on the effect on local communities across the Highlands as opposed to the effect on Council Services;
- there was a need for consideration to be given to building and expanding on this Fund in advance of the introduction of a Community Engagement and Empowerment Bill by the Scottish Government;
- there was a role for every Member of the Council in this process and more training and guidance should be provided in this regard, perhaps through a Members Seminar;

- many of the projects coming forward related to the Transport, Environmental and Community Services section of the Council and there was a need to ensure that sufficient resources were in place to deal with consideration of these applications; and
- there was a need for training to be provided for Ward Managers and partners, including NHS Highland and Highlands & Islands Enterprise, in terms of their future involvement in this process.

Decision

The Council:-

- (i) **AGREED** the recommendations of the Community Challenge Fund Panel to approve the applications from the Kyle & Lochalsh Community Trust and Fort Augustus & Glenmoriston Community Company as detailed in Section 2 of the report;
- (ii) **NOTED** the progress with the implementation of the new Community Challenge Fund; and
- (iii) **AGREED** that authority should be delegated to the Assistant Chief Executive, Director of Finance and Director of Transport, Environmental and Community Services to finalise the necessary legal agreements.

18. Carbon Neutral Inverness in a Low Carbon Highlands Inbhir Nis gun Bhuaidh Càrboin agus Càrbon Ìseal sa Ghàidhealtachd

There had been circulated Report No. [HC-22-13 \(1014kb pdf\)](#) dated 18 June 2013 by the Depute Chief Executive/Director of Housing & Property which presented the background to and outlined the preliminary work which was required to implement and realise the vision of a ‘Carbon Neutral Inverness in a Low Carbon Highlands’ by 2025.

During a summary of the report, it was confirmed that the Council was in a good position to lead on this project as it had excellent working relationships with a number of key stakeholders and potential partners, regularly engaged with the community, played a key role in planning decisions and the development of the region and could demonstrate good progress in reducing its own carbon emissions over the past seven years. As such, re-accreditation was currently being sought from the Carbon Trust in recognition of this success as well as the programme of action and investment to reduce emissions by a further 21% by 2020.

In this regard, it was advised that to create a Carbon Neutral Inverness in a Low Carbon Highlands required a clear project definition and scope, learning from experience elsewhere, deliberative and well managed processes involving many stakeholders and engagement with the general public, credibility and integrity with the data to use to assess the baseline position and to set targets and monitor progress against them.

During discussion, Members raised the following issues:-

- the Council had been very successful in taking forward projects in this regard but there was always the capacity for improvement and specifically there was a need to bring together these projects in an understandable package for the public and for external funders;
- by having a sustained vision and strategy, it would be possible to lever in partnerships from the private sector and build leverage through the Scottish Cities Alliance, the Scottish Government and European funding;
- there was a need to ensure that the Council was contributing properly and setting an example for others in terms of addressing the effects of climate change;
- a Carbon Neutral Inverness in a Low Carbon Highlands could also have a positive impact in terms of interest in the area and as a result increased numbers of tourists in future;
- increased publicity on this issue, through a range of marketing and public relations activities, had the potential to influence future behaviour and this was welcomed;
- in terms of tourism, there was a need to also consider future transport options, both to and within the Highland area;
- the proposal for the future involvement of the Cairngorms National Park Authority in this issue was welcomed;
- in terms of future behavioural changes, there was a need to review (and challenge where necessary) the current information being provided in relation to the maintenance of urban and rural Council properties, particularly in terms of addressing problems such as dampness; and
- in terms of low carbon tourism, and with particular reference to wind farms, there were also opportunities for offshore wind and tidal projects in the Highlands and as such a mixed range of renewable energy projects was considered to be vital for the Highland economy in future.

Decision

The Council **AGREED** the goal of the initiative: A Carbon Neutral Inverness in a Low Carbon Highlands: branded as a Carbon CLEVER Highlands by 2025.

The Council also **NOTED** the early actions proposed – to run a series of workshops across Services, to develop the scope and approach and to identify stakeholders, to identify early and visible projects and actions, to plan a carbon Clever Conference for early Autumn 2013 to encourage stakeholders to sign up to a carbon Clever commitment for the Highlands, to

define the scope and baseline for the project, to identify the range of external funding opportunities and to bid to the Strategic Change and Development Fund for staff resources.

19. Nairn Common Good Fund – Sandown Sandown Inbhir Narann

There had been circulated Report No. [HC-23-13 \(59kb pdf\)](#) dated 17 June 2013 by the Director of Finance which suggested options for addressing the sum owed to the Council of £734,410.78 and reaching agreement on a way forward for resolving the issue.

During a summary of the report, it was confirmed that the Council, at its meeting on 13 December 2012, had noted the legal position that prevented lending to Common Good Funds under the Local Government (Scotland) Act 1975 and agreed to waive all interest on the sum outstanding and refund all interest charged to date. This action had been taken to confirm that the original transaction had simply been a payment on behalf of the Nairn Common Good Fund and that this had been intended to be short term to enable the Fund to manage cash flow, recognising that expenditure had to be incurred before a significant capital receipt could be realised. However, due to unforeseen circumstances, the capital receipt had not materialised. In reaching their decision, the Council had recognised that the issue of the outstanding debt had to be resolved and had asked for a report on possible options to be brought back to a future meeting.

The matter had also been considered by Audit Scotland as part of their audit on the 2011/12 accounts and whilst recognising the situation as it currently stood and being supportive of the reasons behind the original decision, they had asked the Council to take action to resolve the matter.

In terms of the Financial Options available to the Council, the advantages and disadvantages of each of the following were highlighted within the report –

Option 1 – the Council should write-off all of the outstanding debt;

Option 2 – the Common Good Land should be advertised for sale immediately;

Option 3 – the Council should transfer from the Common Good account a pro rata share of the land equivalent to the value of the outstanding debt;

Option 4 – the Common Good Fund should use income generated to write down the balance of the debt over a period of time or when the land was sold; and

Option 5 – the Council should write-off all or part of the debt that related to the fee of £390,000 paid to acquire vacant possession of the land and transfer a pro rata share of the land equivalent to the value of the remaining debt.

In this regard, it was confirmed that the first two Options were not appropriate and that although both Option 3 and Option 4 were viable, only Option 3 provided a way forward in resolving all of the outstanding legal and financial issues and addressing the concerns of Audit Scotland. Option 5 represented a compromise position which had been proposed by Local Members and would mean that there would be greater benefit to the Common Good Fund as it would benefit financially to a greater extent in the event of a future sale of the land, as well as requiring the Council to meet the one off cost that would have to be met from balances.

During discussion, Members raised the following issues:-

- from a financial point of view, it would be difficult for the Council to decide to write off all or some of the amount due in view of the circumstances under which the debt had been incurred;
- acceptance of Option 3 within the report would mean that the Council would recover all of the money due whilst at the same time the Nairn Common Good Fund would not suffer any further loss as a result of the debt incurred and this appeared to be the fairest and most appropriate outcome for all concerned;
- thanks were due to the Director of Finance for discussing this situation with the Nairn Members and allowing them the opportunity to be consulted on the Options available in terms of resolving the matter;
- it was the opinion of some Members that acceptance of Option 3 would give full benefit to the Council and full liability to the Nairn Common Good Fund and on the basis that they were of the view that the Council had acted unlawfully, they confirmed that they would be supporting Option 5 within the report;
- a deferral was the preferred course of action for some Members in order to allow further consideration of the legalities of this situation by Audit Scotland and in this regard concern was expressed that any decision taken now on the matter could perhaps be open to challenge in the future;
- whilst it was acknowledged that Officers were of the view that there was no evidence to suggest that the original decisions taken by Nairn District Council had been flawed, it was suggested that the contrary was also true, namely that there was no evidence that they had not been flawed;
- it should be recognised that all Members of the Council were Trustees of the Common Good Fund and as such had the responsibility to ensure that any decisions taken were in the best interests of the beneficiaries of the Fund; and

- consideration should be given as to whether it would be helpful to obtain independent legal advice on this matter.

Thereafter, Mr D Fallows, seconded by Dr D Alston, **MOVED** acceptance of Option 3 within the report, namely that the Council should transfer from the Nairn Common Good Fund a pro rata share of the land equivalent to the value of the outstanding debt on the basis that the following conditions as outlined in Paragraph 3.7 of the report would apply – any gain in land value was returned to the Nairn Common Good Fund and Highland Council did not gain financially from any future sale of the land.

As an **AMENDMENT**, Mrs L MacDonald, seconded by Mr M Green, moved acceptance of Option 5 within the report, namely that the Council should write off all of the debt that related to the fee of £390,000 paid to acquire vacant possession of the land and transfer a pro rate share of the land equivalent to the value of the remaining debt on the basis that the following conditions as outlined in Paragraph 3.7 of the report would apply – any gain in land value was returned to the Nairn Common Good Fund and Highland Council did not gain financially from any future sale of the land.

On a vote being taken, the **MOTION** received 29 votes and the **AMENDMENT** received 34 votes with 4 abstentions and the **AMENDMENT** was therefore **CARRIED**, the votes having been cast as follows:-

For the Motion:

Alston, D; Baxter, A; Brown, I; Christie, A; Duffy, A; Fallows, D; Farlow, G; Gowans, K; Graham, A; Gray, J; Hendry, D; Kerr, D; MacDonald, N; Mackay, D (W5); MacLean, A; MacLeod, K; McAllister, E; Millar, D; Munro, L; Murphy, B; Phillips, G; Prag, T; Rattray, M; Rimell, G; Saxon, R; Smith, M; Stephen, K; Stone, J; Wood, H

For the Amendment:

Balfour, R; Bremner, D; Campbell, I; Campbell, J; Carmichael, H; Clark, B; Coghill, G; Davidson, M; Douglas, J; Fernie, B; Finlayson, M; Fraser, C; Fraser, H; Fraser, L; Gordon, J; Green, M; Greene, R; Henderson, A; Hunter, E; Laird, R; Macaulay, C; MacDonald, L; Mackay, D (W2); MacKay, W; Mackinnon, A; MacLennan, T; MacLeod, A; McCallum, I; Robertson, F; Ross, G (W3); Ross, G (W14); Sinclair, A; Slater, J; Wilson, C

Abstentions:

Cockburn, I; Gormley, B; Lobban, B; MacKenzie, G

Decision

Members **AGREED** Option 5 within the report, namely that the Council should write off all of the debt that related to the fee of £390,000 paid to acquire vacant possession of the land and transfer a pro rata share of the land equivalent to the value of the remaining debt, with the conditions that any gain in land value was returned to the Nairn Common Good Fund and Highland Council did not gain financially from any future sale of the land.

20. Corporate Governance Riaghladh Corporra

(i) Area Committees

There had been circulated Report No. [HC-24-13 \(164kb pdf\)](#) dated 11 June 2013 by the Chief Executive which detailed the findings from the review of Area Committees, proposed changes resulting from the review (including to the Scheme of Delegation) and recommendations on the future operation of Area Committees. The importance of corporate governance had also been highlighted.

During a summary of the report, detailed information was provided on the following – the results of the survey of Members and Directors which had been undertaken to capture their views on the outcomes and arrangements for the two pilot Area Committees, an analysis of the percentage of agenda items which had required a decision to be made (as opposed to just the need for noting), potential changes required to the Scheme of Delegation, the pros and cons of using a fixed venue (as opposed to rotating the venue) and the facilities within such venues, the effectiveness of the mobile webcasting technology, the resource requirements for the further operation of Area Committees and how this was to be managed, the support required from staff to support the further operation of Area Committees, the media coverage of issues arising from Area Committee meetings and the future use and frequency of Ward Business Meetings and Ward Forums in conjunction with the operation of Area Committees.

It was also suggested that the geographical make-up of the new Area Committees should be tested on a pilot basis over the following year, they should each meet four times per year and be rolled out within the current calendar year as follows – Lochaber & Skye (26 August), Nairn, Badenoch & Strathspey (10 September) and Ross & Cromarty (28 October).

During discussion, Members raised the following issues:-

- the recommendations within the report represented the commitment which had been made by the Administration to deliver five Area Committees, to bring power back to communities, to allow public access and to create more interest in the activities of the Council;
- although there had been challenges, it was considered that the two pilot Area Committees had been very successful and this had been highlighted in particular through webcasting and specifically the number of people accessing these Committees online;
- in terms of discussion in relation to the geographical make-up of the new Area Committees, it was stressed that the most important factor from the outset was that they should be able to deliver positively for their communities;
- the current Area Committees were focused on scrutiny, decision making and partnership working at a local level and this had worked very well and very successfully for local communities;
- the quality of reports from Officers, most particularly in relation to the economy, skills and training and education, had been of a very high standard at the pilot Committees and this had been much appreciated;
- in terms of the make-up of the new Committees, the needs of the Skye Members and constituents, most particularly in terms of travelling distances, would not be well served by linking the area with Lochaber as had been proposed within the report;
- it was imperative that any necessary improvements were made to the existing mobile webcasting technology at an early date in order to ensure that it could be used regularly and effectively for the new Committees and also that contingency arrangements were put in place in the event of any problems in this regard;
- Ward Business Meetings and Ward Forums were currently operating very effectively and it was hoped that they would be continued and strengthened as part of the new arrangements;
- every Member of the Council had a responsibility to engage with Area Committees across the Highlands and ensure that they worked as efficiently and effectively as possible;
- the proposals for a review of Area Committees in due course was welcomed as it was considered that this would allow informed debate on any issues which might arise over the coming months;
- the proposals which had been added to the current Scheme of Delegation for Area Committees were welcomed;
- it was disappointing that suggestions which had been put forward by some Members for the delegation of planning and licensing issues to Area Committees were not to be taken forward; and
- there was a need to be aware of the considerable amount of time likely to be spent by Officers in terms of support for all five Area Committees in future.

Thereafter, Mr D Hendry, seconded by Mr D Fallows, **MOVED** the recommendations as detailed in the report.

As a **FIRST AMENDMENT**, Mr A Baxter, seconded by Mr B Clark, moved that, in regard to recommendation (ix) within the report, the geographical make-up of the following three Area Committees be tested on a pilot basis over the next year – Nairn, Badenoch & Strathspey (Wards 19 and 21), Skye, Ross & Cromarty (Wards 6,7,8,9,10 and 11) and Lochaber (Wards 12 and 22) – that they should each meet four times per year and be rolled out within the current calendar year.

As a **SECOND AMENDMENT**, Mr D Millar, seconded by Ms M Smith, moved that, in regard to recommendation (ix) within the report, and in order to maintain the close historical links and the present day service links with Lochalsh and Wester Ross, Wards 6, 11, 12 and 22 should form an Area Committee.

On a vote being taken between the First Amendment and the Second Amendment, the **FIRST AMENDMENT** received 40 votes and the **SECOND AMENDMENT** received 24 votes with 3 abstentions and the **FIRST AMENDMENT** was therefore **CARRIED**, the votes having been cast as follows:-

For the First Amendment:

Balfour, R; Baxter, A; Bremner, D; Campbell, I; Campbell, J; Carmichael, H; Clark, B; Coghill, G; Davidson, M; Douglas, J; Duffy, A; Fernie, B; Finlayson, M; Fraser, C; Fraser, L; Gordon, J; Gormley, B; Gowans, K; Green, M; Greene, R; Henderson, A; Hunter, E; Kerr, D; Laird, R; Lobban, B; Macaulay, C; MacDonald, L; Mackay, D (W2); MacKay, W; Mackinnon, A; MacLennan, T; MacLeod, A; McCallum, I; Murphy, B; Robertson, F; Ross, G (W3); Ross, G (W14); Sinclair, A; Slater, J; Wilson, C

For the Second Amendment:

Alston, D; Brown, I; Christie, A; Cockburn, I; Fallows, D; Graham, A; Gray, J; Hendry, D; MacDonald, N; Mackay, D (W5); MacKenzie, G; MacLean, A; MacLeod, K; McAllister, E; Millar, D; Munro, L; Prag, T; Rattray, M; Rimell, G; Saxon, R; Smith, M; Stephen, K; Stone, J; Wood, H

Abstentions:

Farlow, G; Fraser H; Phillips, G

On a second vote being taken between the Motion and the First Amendment, the **MOTION** received 20 votes and the **FIRST AMENDMENT** received 46 votes with 1 abstention and the **FIRST AMENDMENT** was therefore **CARRIED**, the votes having been cast as follows:-

For the Motion:

Alston, D; Brown, I; Christie, A; Fallows, D; Farlow, G; Graham, A; Gray, J; Hendry, D; MacDonald, N; Mackay, D (W5); MacKenzie, G; MacLean, A; MacLeod, K; McAllister, E; Munro, L; Phillips, G; Rattray, M; Saxon, R; Smith, M; Wood, H

For the Amendment:

Balfour, R; Baxter, A; Bremner, D; Campbell, I; Campbell, J; Carmichael, H; Clark, B; Cockburn, I; Coghill, G; Davidson, M; Douglas, J; Duffy, A; Fernie, B; Finlayson, M; Fraser, C; Fraser, H; Fraser, L; Gordon, J; Gormley, B; Gowans, K; Green, M; Greene, R; Henderson, A; Hunter, E; Kerr, D; Laird, R; Lobban, B; Macaulay, C; MacDonald, L; Mackay, D (W2); MacKay, W; Mackinnon, A; MacLennan, T; MacLeod, A; McCallum, I; Millar, D; Murphy, B; Prag, T; Robertson, F; Ross, G (W3); Ross, G (W14); Sinclair, A; Slater, J; Stephen, K; Stone, J; Wilson, C

Abstention:

Rimell, G

Decision

The Council **AGREED**:-

- (i) that Elected Members should apply due scrutiny and monitoring to deliver appropriate actions/improvements in their Areas;
- (ii) the revised Scheme of Delegation;
- (iii) that all Area Committees should normally take place in Council owned premises that already had all facilities in place as detailed in the report;
- (iv) that the use of technology be maximised to support Area Committees, especially the use of Video and Tele-Conferencing;
- (v) that Directors and the Corporate Manager re-prioritise the use of their staff to ensure that Area Committees operated within existing resources;
- (vi) that a member of the Council's Senior Management Team be in attendance at each Area Committee;
- (vii) that written guidance be prepared for Members and Officers detailing the support that could be expected from the PR team for Area Committees;
- (viii) that a report should come back towards the end of the year proposing a way forward for Ward Business Meetings and Ward Forums in support of Area Committees and the new Community Planning arrangements, following a wider consultation with Community Councils and key stakeholders in the Autumn;
- (ix) that the geographical make-up of the following three Area Committees should be tested on a pilot basis over the following year, they should each meet four times per year and be rolled out within the current calendar years as follows –

Nairn and Badenoch & Strathspey – 10 September (Wards 19 and 21)
Skye, Ross and Cromarty – 28 October (Wards 6, 7, 8, 9, 10 and 11)
Lochaber – 26 August (Wards 12 and 22); and
- (x) that all five City/Area Chairs should meet on a regular basis for business planning purposes.

(ii) Planning Application Committees

There had been circulated Joint Report No. [HC-25-13 \(97kb pdf\)](#) dated 17 June 2013 by the Assistant Chief Executive and Director of Planning & Development which confirmed that a review of the operation of the Planning Application Committees and forthcoming changes to Planning Regulations had provided the opportunity to consider a number of options for change to the current arrangements which included looking at the number of Committees, how they operated and the continuation of Local Member Votes.

During a summary of the report, the options available to Members were highlighted and a number of changes recommended which it was considered would provide greater certainty and efficiency in the planning decision making process.

In this regard, it was confirmed that there were three options available, namely retention of the current North and South Planning Application Committee arrangements, a move to one Highland wide Planning Application Committee or retention of the current arrangements with a review to be carried out in June 2014 once the full effects of Regulation changes and other improvements were known.

In terms of the number of objections which triggered Planning Application Committee referral, it was suggested that this should be increased from the current five signatories to ten signatories which would reduce the number of planning applications being considered and as a result improve performance by allowing faster decisions to be made by Officers under delegated powers.

It was also suggested that consideration should be given to changing the current arrangements to dispense with the ability for Members to use a Local Member Vote on planning applications in future and in this regard it was confirmed that the relevant recommendation within the report should also refer to licensing applications.

The necessary changes to the Scheme of Delegation to take account of these proposals had been highlighted within Appendix 2 to the report.

During discussion, Members raised the following issues:-

- the Council had already committed to a review of the Planning Application Committee process and the recommendations within the report fulfilled that commitment and it was really important to strike a balance between Local Member involvement, having open and consistent Planning decisions and doing that efficiently and quickly;
- there had been a need to look at whether there should be one Planning Application Committee or two and this had been done with the resulting recommendation for retention of the current arrangements meantime with a further review in June 2014 (once the full effects of the changes to Regulations in respect of Council interest cases were clear);
- Highland Council was the only Council which still allowed a Local Member Vote at Planning Application Committees and there were serious issues surrounding this, particularly on a legal level, and it was therefore suggested that this should be discontinued albeit that Local Members would still be able to take part in meetings;

- there was perhaps a need for consideration to be given as to whether it would be feasible in future for Substitute Members to attend Planning Application Committee meetings as and when necessary;
- there was a feeling amongst some Members that there was a need to retain the Local Member Vote as there was no effective alternative and it was not felt that it caused any particular problems within the Planning Application Committee process;
- there was a need for further information and analysis in relation to the threshold for the number of objections in the form of signatories to a petition to trigger referral to a Planning Application Committee; and
- it was suggested that proposals to dispense with the Local Member Vote should be deferred to allow consideration of the use of Substitutes for Ward Members who were unable to attend their Planning Application Committee meetings in order to ensure proper representation from each Ward at each meeting.

Decision

The Council **AGREED**:-

- (i) to retain the current arrangements for Planning Application Committees and to carry out a review in June 2014 once the full effects of the changes to Regulations in respect of Council interest cases were clear;
- (ii) to increase the threshold for the number of objections in the form of signatories to a petition that triggered referral to the Planning Application Committee from 5 to 10 signatories;
- (iii) to defer consideration of any change to the current arrangements to dispense with the ability for Members to use a Local Member Vote on planning and licensing applications and to explore the appropriateness of having a named Substitute from each Ward as an alternative; and
- (iv) the changes to the Scheme of Delegation as set out in Appendix 2 to the report.

21. Procedure for Consideration of Public Petitions Modh Athchuingean

There had been circulated Report No. [HC-26-13 \(156kb pdf\)](#) dated 10 June 2013 by the Assistant Chief Executive which invited adoption of a procedure which would allow consideration of Public Petitions by the Council or Strategic Committees and agreement of the required amendments to Standing Orders to allow the procedure to be implemented.

During a summary of the report, it was confirmed that the detailed procedure had been circulated as Appendix 1 to the report with a Petitions Template circulated as Appendix 2 and both documents would be available in future for download from the Council's Website.

It was also proposed that the Assistant Chief Executive and/or Head of Legal & Democratic Services should be responsible for verifying and accepting the petition and that initial consideration of whether it met the terms of the procedure and how it should be dealt with should be delegated to the Chief Executive in consultation with the Convener, Leader of the Council, Depute Leader of the Council, appropriate Committee Chair, Leader of the Opposition, Assistant Chief Executive and Service Director.

It was confirmed that a report on the outcomes of Petitions received would be submitted annually to the Community Safety, Public Engagement and Equalities Committee for scrutiny and monitoring purposes and that Standing Order 18 would be amended accordingly to take account of the new procedures in this regard.

During discussion, Members raised the following issues:-

- this was yet another step forward by the Council in allowing members of the public to raise issues which could then be submitted to Committee meetings for consideration;
- in terms of the procedure for the submission of petitions, it was suggested that the term 'citizens' was misleading as the process would not be limited to those living in the City of Inverness and also that the requirement for 50 signatures was perhaps too onerous;
- there was a need for further clarification as to which Committees could accept the submission of petitions; and
- as this was very much a pilot process in regard to the acceptance of petitions, with the monitoring of petitions/outcomes being considered by the Community Safety, Public Engagement and Equalities Committee, the opportunity was in place for the process to be refined over time as necessary.

Thereafter, Dr D Alston, seconded by Mr A Christie, **MOVED** the recommendations as detailed in the report.

As an **AMENDMENT**, Mr D Kerr, seconded by Mr A MacLeod, moved the addition of Local Area Committees to deal with relevant petitions.

On a vote being taken, the **MOTION** received 34 votes and the **AMENDMENT** received 22 votes with no abstentions and the **MOTION** was therefore **CARRIED**, the votes having been cast as follows:-

For the Motion:

Alston, D; Baxter, A; Brown, I; Christie, A; Clark, B; Duffy, A; Fallows, D; Farlow, G; Fraser, C; Gormley, B; Gowans, K; Graham, A; Gray, J; Hendry, D; Laird, R; Lobban, B; MacDonald, L; MacDonald, N; Mackay, D (W5); MacKenzie, G; MacLean, A; MacLeod, K; McAllister, E; Millar, D; Munro, L; Murphy, B; Phillips, G; Prag, T; Rattray, M; Rimell, G; Ross, G (W3); Slater, J; Smith, M; Wood, H

For the Amendment:

Campbell, I; Campbell, J; Coghill, G; Davidson, M; Douglas, J; Fernie, B; Finlayson, M; Fraser, L; Greene, R; Henderson, A; Hunter, E; Kerr, D; Mackay, D (W2); Mackay, W; Mackinnon, A; MacLennan, T; MacLeod, A; McCallum, I; Saxon, R; Sinclair, A; Stephen, K; Wilson, C

There were no abstentions.

Decision

The Council **AGREED** the procedure to be adopted with effect from 1 August 2013 to allow for consideration of public petitions as set out in Paragraph 2 of the report and Appendices 1 and 2 and also the changes to Standing Orders which had been set out in Paragraph 3.

It was also **NOTED** that the monitoring of petitions/outcomes would be carried out on an annual basis by the Community Safety, Public Engagement and Equalities Committee.

22. Community Council Evaluation **Ath-sgrùdadh air Comhairlean Coimhearsnachd**

There had been circulated Report No. [HC-27-13 \(77kb pdf\)](#) dated 28 May 2013 by the Corporate Manager which outlined the feedback received to an evaluation of the [Community Council Scheme \(1266kb pdf\)](#) undertaken twelve months after the first elections.

In this regard, a series of minor amendments had been suggested to the Scheme, specifically in relation to elections and membership (and also including general comments), and these had been highlighted in detail within the report.

Background information on other related areas of work, including training, promotion of elections and a further consultation with Community Councils on engagement and involvement, was also provided.

During discussion, Members raised the following issues:-

- there was a need for more training to be offered to Community Councils where necessary and especially in regard to planning issues;
- further information in relation to the grant funding for Community Councils which were in abeyance was required in order to allow discussion on its possible future use, perhaps in regard to training;
- there was no Community Council currently in place for Inverness City Centre and if this position was to continue, alternative arrangements should be considered;
- a recruitment drive to attract more Community Councillors would be advantageous as this could provide additional support for the current volunteers who provided an excellent service within their communities;
- Community Councils had an important role as statutory consultees, both for planning and licensing, and this was another reason for trying to encourage more people to become involved locally; and
- it would be helpful if further information could be provided on the average fee for a Community Council Secretary.

Decision

The Council **AGREED** the recommendations as detailed in Section 4 of the report.

The Council also **NOTED** the future work planned, including a consultation with Community Councils later in the year on consultation and engagement as part of the review of community planning in Highland.

23. Appointment of Independent Director to High Life Highland Cur Stiurichean an Dreuchd gu High Life na Gaidhealtachd

Declarations of Interest

Ms J Douglas, Mr K Gowans, Mr D Millar and Mr F Parr declared non-financial interests in this item as Directors of High Life Highland but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that their interests did not preclude their involvement in the discussion.

It was advised that a meeting of the High Life Highland Nominations Committee had been arranged for 10 June in order to allow consideration to be given to the appointment of an Independent Director to replace Mr Craig Ewan.

The Committee had agreed to recommend that Ms Catriona Maclean should be appointed and in this respect [background information \(29kb pdf\)](#) had been tabled at the meeting.

Decision

The Council **AGREED** the recommendation from the High Life Highland Nominations Committee that Ms Catriona Maclean should be appointed as an Independent Director.

24. Deeds Executed Gnìomhan a Choileanadh

It was **NOTED** that a [list of deeds \(14kb pdf\)](#) and other documents executed on behalf of the Council since the meeting held on 9 May 2013 was available in the Members' Library and on the Council's Website.

25. Recess Powers Cumhachdan Fosaidh

It was **AGREED** that, during the recess period, powers should be granted to the Chief Executive, Depute Chief Executive/Director of Housing & Property, Assistant Chief Executive and Directors, in consultation with the Convener, Leader of the Council, Depute Leader of the Council, relevant Chair and the Leader of the Opposition, to deal with issues arising during that time and that a report should be prepared for the first meeting of the Council or relevant Committee following the period where these powers had been exercised.

Exclusion of the Public

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

26. Regeneration Capital Grant Fund (RCGF)

Declarations of Interest

Mr R Laird, Mr K MacLeod and Miss J Campbell declared non-financial interests in this item as Board Members of Merkinch Enterprise but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that their interests did not preclude their involvement in the discussion.

There had been circulated to Members only Report No. HC/28/13 by the Depute Chief Executive/Director of Housing & Property which outlined an opportunity for the Council to bid into the Scottish Government's Regeneration Capital Grant Fund.

Decision

The Council **AGREED** the recommendation as detailed in the report.

27. Linnhe Leisure Limited

Declarations of Interest

Mr B Gormley and Mr B Murphy declared non-financial interests in this item as former Directors of Linnhe Leisure and left the room during discussion of the item.

Ms J Douglas, Mr K Gowans, Mr D Millar and Mr F Parr declared non-financial interests in this item as Directors of High Life Highland but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that their interests did not preclude their involvement in the discussion.

There had been circulated to Members only Joint Report No. HC/29/13 by the Director of Education, Culture and Sport and the Director of Finance on Linnhe Leisure Limited.

Decision

The Council **AGREED** the recommendations as detailed in the report.

The meeting ended at 6.40pm.