

The Highland Council Resources Committee

Minutes of Meeting of the Resources Committee held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on Wednesday 27 August 2014 at 10.30 am.

Present:

Ms M Smith	Mr D Hendry
Dr D Alston	Mr R Laird
Ms C Caddick	Mr C Macaulay
Mrs H Carmichael	Mrs I McCallum
Mr A Christie	Mr D MacKay
Dr I Cockburn	Mr A Mackinnon
Mrs M Davidson	Mr J Stone
Mr N Donald	Mr B Thomson
Ms J Douglas	Mrs C Wilson
Mr D Fallows	Mr H Wood
Mr B Gormley	

Non Members also Present:

Mrs J Barclay	Mr G Mackenzie
Mrs I Campbell	Mr T MacLennan
Mr B Clark	Mrs M Paterson
Mr J Ford	Mr T Prag
Mr R Greene	Mr R Saxon

Officials in attendance:

Ms M Morris, Depute Chief Executive/Director of Corporate Development
Mr D Yule, Director of Finance
Mr S Black, Director of Development and Infrastructure
Mr S Fraser, Head of Corporate Governance, Corporate Development Service
Mr A Gunn, Head of Revenues and Business Support, Finance Service
Mr D Lamont, Head of Exchequer, Finance Service
Mrs S McKandie, Exchequer Manager (Policy & Development), Finance Service
Mr B Murison, Income and Recovery Manager, Finance Service
Ms C Strachan, Accountant, Finance Service
Ms G Ward, Housing Policy Officer, Community Services
Mr J Robertson, Corporate Improvement Programme Manager, Corporate Development Service
Mr M MacDonald, Human Resources Manager, Corporate Development Service
Ms G Falconer, Occupational Health, Safety and Wellbeing Manager, Corporate Development Service
Mr J Grieve, ICT Reprovision Programme Manager, Corporate Development Service
Mr P Tomalin, Ward Manager, Chief Executive's Office
Mrs K Lackie, Business Manager, Chief Executive's Office
Ms A Clark, Policy Officer, Chief Executive's Office
Mr S Carr, Policy Officer (Climate Change), Chief Executive's Office
Mrs L Dunn, Principal Committee Administrator, Corporate Development Service
Ms Anne Macrae, Committee Administrator, Corporate Development
Mr A MacInnes, Administrative Assistant, Corporate Development 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.

Ms M Smith in the Chair

Business

1. Apologies for Absence Leisgeulan

Apologies for absence were intimated on behalf of Mrs D Mackay, Mr F Parr, and Mr H Morrison.

2. Declarations of Interest Foillseachaidhean Com-pàirt

Item 5 – Mr A Christie and Ms J Douglas (non-financial)

Item 6 - Mr A Christie and Mr B Gormley (non-financial)

Item 10.ii (b) – Mrs I Campbell (non-financial)

Item 10.ii (c) – Mr A Christie (non-financial)

Item 10.ii (d) – Mr R Greene (non-financial)

Item 10.ii (e) - Dr D Alston (non-financial)

Item 12 – Mr A Christie (non-financial)

Item 17 – Mr A Mackinnon (non-financial)

Item 19 – Mrs H Carmichael, Ms J Douglas and Mr H Wood (non-financial)

Item 30 – Mr A Christie (financial)

Preliminaries

Prior to the commencement of the formal business, it was confirmed that Mr Dawson Lamont, Head of Exchequer, was to retire on 12 September 2014. In this regard, Mr Lamont was commended for his commitment and significant contribution to the work of the Council over a number of years. Mr Lamont responded accordingly.

3. Good News Stories Deagh Naidheachdan

On hearing from the Chair, the Committee **NOTED** that the Highland Council had received a Silver Award for Occupational Health and Safety by the Royal Society for the Prevention of Accidents.

4. Recess Powers Cumhachdan Fosaidh

The Committee **NOTED** that recess powers had been exercised by the Chief Executive in consultation with the Deputy Council Leader, the Convener, and the Leader of the Opposition to support the bid by the Leader of the Council to seek election as President of the Conference of Peripheral and Maritime Regions (CPMR). Nominations for the Presidency for 2014-16 had been sought at the meeting of the Political Bureau held in Inverness with a closing date of 25 July 2014.

COPORATE DEVELOPMENT SERVICE

19. Internal Audit Report: Governance of Arm's Length External Organisations Riaghladh Bhuidhnean air Astar

In accordance with Standing Order 18, with the consent of the meeting, Item 19 on the agenda was taken at this point.

Declarations of Interest – Mrs H Carmichael, and Mr H Wood declared a non-financial interest in this item as Directors of Inverness Leisure, and Ms J Douglas declared a non-financial interest in this item as a Director 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 them from taking part in the discussion.

There was circulated Report No. RES/47/14 by the Depute Chief Executive/Director of Corporate Development which presented the findings of the audit review to identify the governance arrangements in place in relation to 'Arm's Length External Organisations' (ALEOs) and to report on how well they complied with the Audit Scotland report, 'Arm's Length External Organisations' (ALEOs): are you getting it right?' reported to the meeting of Finance, Housing and Resources Committee on 26 February 2014.

The report also advised on the consultation undertaken with communities benefiting from Beinn Tharsuinn Windfarm Community Limited and the progress that had been made on meeting the recommendations that were made.

During discussion, the following points were raised:-

- a question was raised in regard to the rationale for setting up the Beinn Tharsuinn Windfarm Community Limited given the risks associated with unlimited borrowing powers being given to Company Directors, without recourse to the Council;
- that further information be provided on the timescale for the amendment of the Company's Memorandum and Articles of Association to remove the risks in relation to unlimited borrowing powers. It was confirmed that following the Company's Annual General Meeting on 23 September 2014, a special written resolution would be brought to the Council in this regard;
- that in terms of the Audit Report Action Plan clarification was sought and provided on those actions which had been completed and those in respect of which the target date had been amended to 30 September 2014;
- the proposed actions set out in the report would address the risks which had been identified, and the Council's recently agreed approach for negotiating community benefit with developers would also ensure that a similar situation did not arise again; and
- that account be taken of the comment in the Action Plan in regard to the criteria to be used when appointing Council Members to external organisation to ensure compliance with best practice as identified by Audit Scotland.

The Committee:-

- i. **AGREED** that the Board of Beinn Tharsuinn Windfarm Community Limited be asked to undertake a review of their Memorandum and Articles of Association in order to address the risk identified at paragraph 2.5 of the report;
- ii. **AGREED** that the Council retained the Company (Beinn Tharsuinn Windfarm Community Limited) in its current form and allowed the communities of Creich and Ardgay to withdraw from the Company and administer their funds through the Kyle of Sutherland Development Trust, once agreements had been drawn up between the Developer and those two communities; and
- iii. **NOTED** the progress made to date in implementing the agreed Action Plan.

FINANCE SERVICE

5. Welfare Reform Fios às Ùr mu Ath-leasachadh

Declarations 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 and Ms J Douglas declared a non-financial interest in this item as a volunteer and member of the Steering Group of the Badenoch and Strathspey Foodbank, 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 them from taking part in the discussion.

There was circulated Report No. RES/26/14 by the Director of Finance which provided information on the current status of Universal Credit and other Welfare initiatives. The report also provided financial monitoring information for 2014/15, covering the Council's considerable involvement in this area of work.

The report provided an update on a range of headings including universal credit; personal independent payments; digital inclusion; and foodbanks; Welfare Fund (Scotland) Bill, changes in respect of European Union Migrants; housing benefits; council tax reductions; Scottish Welfare Fund, discretionary housing payments; and the Highland Council Welfare Fund. The report also provided details of the results of a tenant survey which had been carried out on those tenants in receipt of maximum housing benefit.

During discussion the following points were raised:-

- concern was expressed at the impact on both the Council and tenants given the increasing levels of rent arrears being observed as Universal Credit continued to be rolled out. In this regard a point was raised in

regard to the level of advice and support available to tenants to support them through the transition to Universal Credit and in the longer term;

- that clarification was required in regard to why some tenants in temporary accommodation were required by the “lobster pot principle” to continue applying for Universal Credit when they were currently excluded from the normal eligibility criteria and when the evidence suggested it would be to their detriment;
- that the tenants survey confirmed that many tenants in receipt of maximum housing benefit would experience significant difficulties when required to deal with their rent payments rather than through a direct payment scheme;
- in regard to Personal Independent Payments it was unacceptable that claimants were waiting an average of six to nine months for a decision on their claim. In this regard there was a need for the Council to adopt a lobbying approach on this issue with MPs, MSPs and Government Ministers to reduce the waiting times to help mitigate the impact on claimants;
- the demand for foodbanks in the Highlands continued to be a concern and was a clear demonstration of the problems created by welfare reform;
- the results of the tenant survey demonstrated a need for services to be targeted towards early intervention and a more preventative approach;
- in regard to the reported backlog in face to face assessments required as part of the claim for a Personal Independent Payments, the Head of Exchequer confirmed that he would respond to Mrs H Carmichael on the numbers involved;
- an explanation was sought on whether the 250 Universal Credit claimants who had moved into full time work was as a result of the reforms or whether they should not have been on benefit in the first place;
- that it would be useful for Members to receive a copy of the full report on the results of the tenant survey which Community Services had carried out in May 2014 and details of which had been circulated to the last meeting of the Welfare Reform Working Group;
- the tenant survey demonstrated the need to re-focus the work of Service Points as part of the ongoing review to assist the most vulnerable in society in regard to welfare reform;
- the tenant survey also demonstrated that there continued to be issues around improving access to IT services for claimants and improving the quality of Broadband coverage in some areas of Highland;
- that the next meeting with the Highland MPs should focus on lobbying for changes to the processes for example in relation to switchback payments and Personal Independent Payments to help minimise the impact on individuals;
- that discussions also be held with MSPs on measures to mitigate the other more difficult effects of welfare reform in addition to the action taken in regard to the under occupancy policy;
- a point in regard to the changes around benefit entitlement for European Migrants and the potential impact in this regard; and
- that the Council together with other relevant agencies and organisations required to take a strategic overview in regard to welfare

reform to understand its impacts on the most vulnerable in society and to develop and inform policy across the Highlands going forward.

Thereafter, the Committee **NOTED** the limited progress by the Department for Work and Pensions on several Reform fronts, and a continuation of (and related investment in) mitigation measures by the Council and partners in support of the most vulnerable in the Highland area.

6. Money Advice Annual Report Aithisg Bhliadhna a' Chomhairleachaidh Airgid

Declarations 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 and Mr B Gormley declared a non-financial interest in this item as Council Adviser to Lochaber 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 interests did not preclude them from taking part in the discussion.

There was circulated Report No. RES/27/14 by the Head of Policy and Reform which provided Members with the end of year monitoring of advice and information services in Highland for 2013/14, and detailed how the money allocated to this service had been spent and the outcomes achieved. The report also provided an update on the new money allocated for 2013/14 to address the impacts of welfare reform.

During discussion, the following points were raised:-

- that in regard to the satisfaction levels shown in the report for Citizens Advice Bureaus (CAB) providers it was noted that the numbers who had indicated they had been dissatisfied with the service provided was low and that feedback Members received locally was that services provided by the CAB were highly regarded by the public; and
- it was likely that the demand on CAB providers and in-house teams would grow significantly as welfare reforms continued to be rolled out in the Highlands and it was important this continued to be monitored.

The Committee **NOTED**:-

- i. the level of support provided to customers across Highland in 2013/14 through the CAB network and in-house teams. The complexity of advice sought was increasing and pressures experienced particularly in the area of welfare benefits as a result of Welfare Reform; and
- ii. the outcomes achieved by the allocation of £250,000 to mitigate the impacts of Welfare Reform.

7. Finance Service Revenue Monitoring Final Outturn 2013/14 and Monitoring 2014/15
Sgrùdadh Teachd-a-steach Seirbheis an Ionmhais: Toradh Deireannach 2013/14 agus Sgrùdadh 2014/15

There was circulated Report No. RES/28/14 by the Director of Finance which presented on the final outturn for the Revenue Budget for the year to 31 March 2014 and the Revenue Monitoring position for the period to 30 June 2014.

It was reported that the net annual budget for Finance in 2013/14 was £11.887m; actual expenditure during the financial year was £12.205m, producing an over spend of £0.318m. Information on how the Service managed compensating pressures and savings throughout the year was provided.

The monitoring statement showing actual expenditure against budget to the 30 June 2014 showed that the Service had incurred net expenditure of £3.876m against an annual budget of £11.299m. At this point in the year an underspend of £0.025m was projected. It was confirmed that at the previous Committee held on 28 May 2014, Members agreed a range of efficiency measures, and the deletion of long-term vacant posts, to place the Service on a sounder footing and these were now reflected in the report. The Service was now developing further proposals to help the Council meet future budget challenges.

The Committee:-

- i. **NOTED** the Finance Budget outturn position for 2013/14; and
- ii. **AGREED** the monitoring report to the 30 June 2014.

8. Corporate Revenue Monitoring Report
Sgrùdadh Teachd-a-steach Corporra

There was circulated Report No. RES/29/14 by the Director of Finance which presented the financial position of the revenue budgets of the General Fund and HRA as at 30 June 2014 and the projected year end position.

It was reported that the General Fund statement showed a total annual budget allocated to services of £572.953m, year to date actual of £103.140m and an estimated year end position of £574.275m resulting in an estimated year end overspend of £1.322m. At June 2013 the predicted service overspend had been £1.143m.

The revenue budget for 2014/15 had increased by £9.256m and a total of £8.407m had been added to service budgets from previously earmarked balances. General Fund variances were also reported as was the position on the Housing Revenue Account.

The Director of Finance reported on the action being taken by Services to address the pressures and variances on the budget and detailed in the report and advised that he remained confident there would be a balanced budget at the end of the financial year.

During discussion the following points were raised:-

- that in regard to the roads maintenance budget while the report detailed the additional monies which had been added from previously earmarked balances, it did not detail any savings which had also been allocated out of this budget;
- in regard to the overspend shown for facilities management, it was reported that Members had been advised that the new facilities management model would be cost neutral. It was requested that Members be provided with a breakdown by Ward on the costs associated with the new facilities management model in comparison to the previous arrangements;
- it was suggested that the income of £1.3m the Council expected to receive for financial year 2012/13 under the Business Rates Incentivisation Scheme (BRIS) should be allocated towards town and city centres and that a report be presented to the appropriate Committee setting out a strategy in this regard; and
- it was suggested that it would not be appropriate to consider or ring fence the allocation of the income of £1.3m to be received under BRIS until the current budget consultation exercise had been completed and the public's priorities identified. Thereafter the allocation of funding would be considered as part of the Council's wider budget deliberations which would also focus on how best to support town and city centres and also rural areas.

The Committee:-

- i. **APPROVED** the financial position of the General Fund and HRA revenue budgets as at 30 June 2014 and **NOTED** the predicted year end net overspend of £1.322m and the management response to this;
- ii. **APPROVED** the request to transfer £0.384m Strategic Change Development Fund to the Finance budget to meet the upfront costs of implementing the replacement corporate financial system with a view to securing long term savings to the revenue budget; and
- iii. **AGREED** that Members be provided with a breakdown by Ward on the costs associated with the new facilities management model in comparison to the previous arrangements.

9. Corporate Capital Monitoring Report Aithisg Sgrùdaidh a' Chalpa Chorpóra

There was circulated Report No. RES/30/14 by the Director of Finance which provided an overview of expenditure on the General Fund and HRA capital programmes for the period from 1 April 2014 to 30 June 2014 and the projected year end position for the 2014/15 financial year.

It was reported that the General Fund Capital Programme had a total net budget of £111.474m. Expenditure to date was £8.635m and the estimated year end position was an overspend of £9.842m. At this stage in the financial year most services were reporting a balanced programme, however there were likely to be variances on major spending lines as the year progressed.

In discussion Members commended the relevant officials on their work to achieve a more balanced programme than had been the case in previous years.

The Committee:-

- i. **APPROVED** the financial position of the General Fund and HRA Capital Programmes as at 30 June 2014; and
- ii. **NOTED** the forthcoming review of the 2013/14 balances carried forward.

10. Capital Discretionary Fund Applications Tagraidhean do Mhaoin Calpa fo Ùghdarras

i. Capital Discretionary Fund Applications

There was circulated Report No. RES/31/14 by the Director of Finance the purpose of which was to advise the Committee of the regulations governing the award of capital grants to third parties, to consider the wider cost of such grants, and considered the financial implications arising from the applications for funding from the Capital Discretionary Fund.

It was advised that the Council's current Capital Plan made provision for additional funding contributions to the Capital Discretionary Fund of £0.5m per annum. The Fund had typically been used to match fund community projects, and/or support projects that delivered community benefits or financial savings. The Committee was asked to consider applications for funding as detailed in the report.

In terms of current capital discretionary funding commitments the Committee had been asked to consider imposing a time limit of three years on all current and future applications. At present one project, Halkirk Sports Facility, would fall into this category and it was recommended that officers clarify the status of this project and report back to the next meeting.

The Director of Finance advised that he had become aware that the Resources Committee in 2009 had approved a grant of £200,000 to the University of the Highlands and Islands towards a History Centre. He confirmed that the UHI had proceeded with the project but had never requested the funding and therefore it had not been listed in the report.

During discussion the following points were raised:-

- further information was sought on the value of the annual Capital Cash Grant from the Scottish Government which partly funded the Capital Programme. The Director of Finance advised that he would report back

directly to Mr R Laird on this matter and also consider how this information was presented in future reports;

- that in addition to the capital costs it would be helpful if the ongoing revenue costs associated with each application to the Capital Discretionary Fund were also detailed in the report to give a complete picture in terms of overall costs; and
- an update was requested on progress in regard to the current status of the Halkirk Sports Facility project.

During further discussion a number of Members referred to the decision of the Finance, Housing and Resources on 22 January 2014 where it had been agreed to provide up to £50,000 per year over the four years from 2014/15 to 2017/18 from the Capital Discretionary Fund to support the refurbishment of War Memorials, in recognition of the centenary of the First World War. This funding would allow the Council to make bids for additional funding from the Scottish Government's Centenary Memorial Restoration Fund. It had also been agreed in principle, that the Council fund any shortfall by way of application to the Capital Discretionary Fund.

In regard to the above Members raised the following points:-

- there was also a lack of clarity around the current status of the works, any monies spent to date, and in regard to the funding arrangements and in particular whether funding had been received from the Scottish Government;
- as the full cost of the refurbishment had been confirmed to be £310,000 this should be reflected in the Fund's approved commitments as detailed in Appendix 2 to the report in the event that Scottish Government funding had not been secured;
- whether there was the potential for the works to be completed within a shorter timescale than over a four year period;
- it was suggested that if works had not started then there was a possibility that the refurbishment programme would not be completed within the four year period due to the specialist nature of some of the works, and an assurance was sought that this would not be the case;
- it was reported that community councils were becoming increasingly frustrated at the lack of progress in regard to the refurbishment works, and also the lack of response being received from the Council in regard to their enquiries on this matter;
- a point was also raised in regard to how the works were being co-ordinated between the different parties involved such as the British Legion and community councils;
- it was important that co-ordinated action be progressed as early as possible to ensure that war memorials were in an appropriate condition ahead of Armistice Day and as a mark of respect to those involved in the First World War; and
- concern was expressed that the decision of the Finance, Housing and Resources Committee on 22 January 2014 in regard to war memorials had not been actioned.

Following further discussion, the Chair gave an assurance that the concerns raised by Members and detailed above would be investigated immediately in conjunction with Community Services, and that Members would receive an update at the earliest opportunity.

The Committee:-

- a. **NOTED** the Scottish Government regulations regarding capital expenditure as per Appendix 1 of the report;
- b. **NOTED** the actual cost to the Council of capital grants;
- c. **NOTED** existing commitments against the Capital Discretionary Fund as per Appendix 2 of the report;
- d. **AGREED** to imposing a three year time limit for the drawing down of grant funding;
- e. **NOTED** that a status report on Halkirk Sports Facility would be brought back to the next Committee; and
- f. **AGREED** that in response to Members concerns the current position in regard to the funding of and progress with the refurbishment of war memorials in Highland and issues around consultation and communication with communities be investigated, and thereafter Members receive an update on this matter at the earliest opportunity.

ii. Applications

The Committee was asked to consider the following applications:-

a. Highland Hospice

There was circulated Joint Report No. RES/32/14 by the by Director of Finance and Acting Head of Community and Democratic Engagement which advised that Highland Hospice was undertaking a full refurbishment of Ness House and the Netley Centre along with the demolition of one of the original buildings to build a new In-Patient Unit. The Project included an element called "The Sanctuary at Highland Hospice". The aim was to create a "...spiritual space for those of all faiths and of none". The total project cost was £6.500m. Funding from the Council had been applied for in the sum of £0.200m.

The Committee **AGREED** to award the project to refurbish and partly reconstruct the Highland Hospice as detailed within the report the sum of £0.200m from the Capital Discretionary Fund for the year 2014/15.

b. Kinlochshiel Shinty Club Playing Field

Mrs I Campbell declared a non-financial interest in this item as President of Kinlochshiel Shinty Club 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. RES/33/14 by the Chief Executive which sought approval to provide a contribution of up to £45,000 from the Capital Discretionary Fund and £5,000 from the Ward 6 Discretionary Budget towards a £361,540 project by Kinlochshiel Shinty Club Ltd to develop a new site at Reraig, Balmacara as a sports playing field with attendant facilities.

The Committee:-

1. **APPROVED** a total, capped contribution of £50,000 from the Council, to the Kinlochshiel Shinty Club Ltd, subject to a successful outcome of The Club's funding application to SportScotland; and
2. **AGREED** that the Council's contribution to be made up of £45,000 from the Capital Discretionary Fund and £5,000 from the Ward 6 Discretionary Budget.

c. Ross and Cromarty Citizen's Advice Bureau

Declarations 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 his interest did not preclude him from taking part in the discussion.

There was circulated Report No. RES/34/14 by the Chief Executive which sought approval to provide a contribution of up to £40,000 from the Capital Discretionary Fund to re-furbish new premises for Ross and Cromarty Citizen's Advice Bureau, based in Alness.

The Committee **APPROVED** a total, capped contribution of £40,000 from the Capital Discretionary Fund, to Ross and Cromarty Citizen's Advice Bureau.

d. Poolewe and District Swimming Pool Association

Declarations of Interest - Mr R Greene declared a non-financial interest as a Board Member of the Poolewe and District Swimming Pool Association, 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 RES/35/14 by the Director of Education, Culture and Sport which requested approval to grant up to £50,000 from the Capital Discretionary Fund and £5,000 from the Ward 6 Discretionary Budget to Poolewe and District Swimming Pool Association as a contribution towards upgrading the facility.

The Committee **AGREED**:-

1. to support the application by Poolewe and District Swimming Pool Association for a grant towards the cost of upgrading the facility; and
2. the Council's contribution to be made up of £50,000 from the Capital Discretionary Fund and £5,000 from the Ward 6 Discretionary Budget.

e. Highland Science Skills Academy

Declarations of Interest – Dr D Alston declared a non-financial interest as an Independent Governor of University of the Highland and Islands Court, and left the Chamber for the determination of this item.

There was circulated Report No. RES/36/14 by the Director of Development and Infrastructure which requested approval for a total contribution of £150,000 from the Capital Discretionary Fund towards a funding package that would enable the development of a hub for the Highland Science Skills Academy at the University of the Highlands and Islands (UHI) Inverness Campus Partnership Facility. This was a new joint building with Highlands and Islands Enterprise.

During discussion, the following points were raised:-

- that further information was required on the details of the full funding package for the Highland Skills Academy and the Council's overall contribution to date;
- it was suggested that the significant ongoing developments/building at the UHI Campus might be to the detriment of Inverness City Centre. There was a need for an overview and discussions to be undertaken with UHI and other public agencies involved to ensure the right decisions were being made for Inverness City going forward;
- the UHI Campus would bring fundamental benefits to both Inverness City and the whole of the Highlands. It would bring people in from other areas and also allow young people across the Highlands to access a level of education and develop skills appropriate for the 21st Century. The campus was the logical base for the Academy as this was where the skills base to deliver the education and training was located;
- The Academy would allow young people to access job opportunities in science and technology based industries which were becoming increasingly important to the Highlands and also contribute to filling the skills gap which existed in respect of

these industries. The development would therefore contribute to the future economic growth of the area;

- That a key aspect of the development was in regard to the use of technology to ensure outreach activities in other learning centres across the area. It was important that rural areas also be the centre of any outreach work;
- that prestige projects such as the Highland Skills Academy should be funded by agencies such as Scottish Enterprise, Highlands and Islands Enterprise and the UHI. The Council's focus should be funding its basic services such as roads maintenance which the public had identified as being a high priority;
- It was important going forward to monitor and measure the outcomes associated with the Council's investment, and to avoid any duplication of provision across the agencies;
- in response to a question on whether it was the Council's policy to fund a project only once, the Chair indicated that this might have been the custom and practice rather than policy, but that she would investigate this further and respond to Mrs I McCallum on the matter; and
- that work was ongoing to ensure the appropriate technology was in place to facilitate the range of outreach work and activities to be delivered by the development and that further details would be brought to Members at the appropriate time in this regard.

The Committee **AGREED** to:-

- i. support the application by the University of the Highlands and Islands for a grant of £150,000, from the Capital Discretionary Fund towards the capital cost of building the Highland Science Skills Academy; and
- ii. monitor and measure the outcomes associated with the Council's investment.

11. Treasury Management Rianachd Ionmhais

i. Summary of Transactions

There was circulated Report No. RES/37/14 by the Director of Finance which provided details on the Treasury Management transactions for May and June 2014, reflecting activity undertaken to manage the Council's cash flows, and borrowing to fund capital expenditure.

The Committee **APPROVED** the Treasury Management Summary of Transactions report for May and June 2014.

ii. Treasury Management and the Financial Services (Banking Reform) Act 2013

There was circulated Report No. RES/38/14 by the Director of Finance which set out background to, and implications arising from, the Financial Services (Banking Reform) Act 2013.

The report detailed the provisions contained within the Act and the implications for the Council, particularly around the 'bail in' and deposit protection arrangements.

During discussion, the following points were raised:-

- that clarification be provided on the level of risk to the Council associated with the implementation of the 'bail in' reforms;
- a question in regard to whether the Council invested only in triple 'A' credit rated banks. The Director of Finance advised that the Council also invested in Government backed banks, and confirmed that he would arrange for Mrs H Carmichael to be circulated with the relevant section of the Treasury Management Strategy which set out the current counter party list;
- the safeguards the Council had in place to respond to sudden changes in the credit worthiness of banks;
- that the implementation date for the 'bail in' reforms had been brought forward from 2018 as previously reported to the Council, to January 2015, and whether this change should be reported back to the full Council;
- the action that would be taken in response to the introduction of 'bail in' powers and the likelihood that the UK Government would reduce its stake in banks it currently supported. The Director of Finance advised that the Treasury Management Strategy would be amended to cover the duration and limit on deposits with the banks in which the UK Government continued to hold a stake. It was also confirmed that a report on the next version of the Strategy was due be brought to the Committee in February 2015; and
- that the treasury management staff in the Finance Service be commended on their excellent record in treasury management and on the financial benefits this had delivered for the Council.

The Committee **NOTED** the report.

iii. Annual Treasury Report 2013/14

There was circulated Report No. RES/39/14 by the Director of Finance which presented the Annual Treasury Management Report for 2013/14 and highlighted the Council's treasury management activities undertaken, provided a commentary on the year, and compared activity to the expected activities contained in the annual Treasury Strategy Statement and Investment Statement which was approved by the Council on 7 March 2013.

In compliance with the Code, the Annual Treasury Management Report 2013/14 was submitted to Committee for consideration. The report would then be submitted to Council for approval in September 2014. In addition, the Prudential Code required the Council to report the actual prudential indicators after the financial year end and these were contained in the report.

The Committee **AGREED** that the Annual Treasury Report 2013/14 be submitted to the Council for approval.

**12. Finance Service: Quarterly Performance Report
Seirbheis an Ionmhais: Aithisg Dèanadais Ràitheil**

Declarations 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 his interest did not preclude him from taking part in the discussion.

There was circulated Report No. RES/40/14 by the Director of Finance which provided a summary of key and statutory performance indicators for the Finance Service as at 30 June 2014.

The report included performance against the Accounts Commission's Statutory Performance Indicators together with key performance measures for the Finance Service. Performance monitoring details were provided on the Council Tax In-Year Collection Rate; Non Domestic Rates in year collection rate; business improvement district levy; Benefits Administration – speed of processing; Customer Income Maximisation and Money Advice; Payment of Invoices and attendance management.

The Committee **NOTED** the statutory and key performance indicators for the Finance Service to 30 June 2014.

**13. Audit Scotland: Benefits Performance Audit Annual Update 2013/14
Buidheann-sgrùdadh na h-Alba: Fios Bliadhnail Sgrùdadh Buaidh nan Sochairean 2013/14**

There was circulated Report No. RES/41/14 by the Director of Finance which provided details of the outcome of Audit Scotland's benefit performance audit work across Scotland in 2013/14. The main objective of the audit was to help the Council improve its Benefit services and to hold authorities to account for any failing services.

A local risk assessment had been carried out during September 2013 and the report noted that the Council had delivered an improved speed of processing at the same time as maintaining a strong accuracy of performance and continuing to reduce local authority error overpayments. The Council's performance was above the Scottish averages for both new claims and changes of circumstances and compared very well to other Councils.

As part of the Council's drive for continuous improvement, the findings from other Council's assessments were being considered. Reference was also made to the additional work associated with the welfare changes introduced by the UK Government which had been devolved to Scottish Councils.

The Committee **NOTED** the findings from Audit Scotland's Benefits Performance Audits during 2013/14, which included the involvement of the Council in a Risk Assessment study, the results of which had already been reported to Committee; and to welcome the efforts of Audit Scotland in disseminating good practice in this area of work and seeking with the Council to clarify continuing uncertainties about certain aspects of Welfare Reform.

CORPORATE DEVELOPMENT SERVICE

14. Corporate Development Service Revenue Monitoring 2014/15 Sgrùdadh Teachd-a-steach Seirbheis an Leasachaidh Chorpóra: Toradh Deireannach 2013/14 agus Sgrùdadh 2014/15

There was circulated Report No. RES/42/14 by the Depute Chief Executive/Director of Corporate Development which presented the revenue monitoring position for Corporate Development for the period 1 April 2014 to 30 June 2014.

The report showed an annual net budget of £18.646m and actual expenditure incurred in the first quarter of the financial year was £1.530m.

It was explained that in regard to the difference between the percentage of annual expenditure for the first quarter of the financial year between the current and previous year this reflected the change to the new Corporate Development Service and the removal of a series of budgets which now sat with the Chief Executive's Office. It was also reported that the underspend on ICT Services reflected timing issues in the payments to Fujitsu for core services, but that the expenditure had been committed and would be paid out for the first quarter of the financial year. It was further reported that there was a projected overspend of £127,000 by the end of the current financial year which was due to pressures on licensing income with the income target being higher than the predicted income level. The budget would be adjusted accordingly next year but in the meantime costs would be examined and savings identified to ensure the budget was brought back into line for the current year.

In discussion a point was raised in regard to the overspend shown for Workforce Planning, Learning and Development. In response it was confirmed that this was due to income targets not being realised but that the overall People and Performance budget was showing an underspend which would be used to manage any overspends on individual budgets during the year.

The Committee **NOTED** the revenue monitoring report for the period 1 April 2014 to 30 June 2014.

15. Corporate Development Service Capital Monitoring 2014/15
Sgrùdadh Chalpa Seirbheis an Leasachaidh Chorporra 2014/15

There was circulated Report No. RES/43/14 by the Depute Chief Executive/Director of Corporate Development which set out the position for the Corporate Development Service 2014/15 capital budget for the period to 30 June 2014.

The Corporate Development Capital Programme had capital projects amounting to £1.614m for the financial year 2014/15, with a credit sum of £0.061m accounted to date. The Service was estimating an underspend of £0.151m at the end of the financial year.

In response to a question it was confirmed that the budget shown for 'Service Improvement Future Years' represented funding which had been carried forward from previous years and was being held pending the outcome of the Customer Services Review and to cover any works that would be required as a result of that review.

The Committee **NOTED** the capital monitoring report for the period to 30 June 2014.

16. Customer Service Excellence Award
Sàr-mhaitheas Seirbheis Luchd-cleachdaidh

There was circulated Report No. RES/44/14 by the Depute Chief Executive/Director of Corporate Development which detailed the continued achievement of the externally assessed Customer Service Excellence Award by Highland Council's Customer Services since 2010. Currently, this was the only externally evaluated standard supported and recognised by the UK Cabinet Office.

In presenting the report, the Depute Chief Executive/Director of Corporate Development explained that retention of this Award reflected the excellent work provided by staff in the service network and Service Centre. The comprehensive assessment for the award covered all aspects of the Customer Services Organisation. The assessor's report was summarised in the report with specific work the Council had been doing to develop its digital channel and website. The Customer Service Team was pleased to have achieved and retained this challenging national standard.

During discussion the following points were raised:-

- that staff should be congratulated on retaining the Award and continuing to deliver excellent customer services at time of uncertainty pending the outcome of the Customer Services Review;
- it was important that the Assessor's comments in regard to criterion 5 'Timeliness and Quality of Service' as set out in Appendix 1 to the report be taken into account in the Customer Services Review;
- that the views of staff service point/centre staff should also be taken into account as part of the above Review. It was confirmed that at the recent meeting of the Customer Services Board it had been agreed to invite trade union representatives to the next meeting to discuss the

best way for the Board to engage with staff in regard to the Review; and

- that significant improvements had been delivered through the development of the Council's new website which it was suggested was now fit for purpose, and that staff involved should be commended for the work undertaken.

The Committee **NOTED** the outcomes of the assessment and the on-going successful achievement of the Customer Service Excellence standard.

17. Corporate Improvement Programme Prògram Leasachadh Corporra

Declarations of Interest - Mr A Mackinnon declared a non-financial interest in this item on the grounds that his wife was an employee of the Council based in the Dingwall Offices, 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. RES/45/14 by the Depute Chief Executive/Director of Corporate Development which explained that the Corporate Improvement Programme (CIP) was progressing with a target to achieve £5.98m in efficiency savings for the period 2013/14 and 2014/15.

The process for aligning the next programme of work with the corporate budget setting process was underway and in the last period an independent review of the Programme had taken place. The last quarter had seen the launch of the new web site and HR admin processes.

A progress update was also provided in respect of the following projects:- Asset Management; Business Support; Customer Contact Transformation; Income Generation Project; Transport Programme; Managing Information; Mobile & Flexible Working and Procurement and work being undertaken to plan for future programme developments.

Following consideration of the report Members made the following comments:-

- that for future reports the detail behind any movement in the deliverable RAG Status and Savings RAG status for projects should be reported;
- While the Council's new website had generally been well received, there had been a number of complaints about the site and difficulties with locating and accessing information. It was therefore requested that a report on the Council's new website should be taken to the Committee in six months' time. Having heard Members express support and positive feedback for the new website, it was advised that any comments from Members on suggestions for improving the site were welcomed;
- It was queried when any suggestions on income generation made at the Income Generation workshop would be progressed. It was advised that Members would be informed of progress on suggestions when this information was available from Scottish Provincial Press (SPP); and

- It was noted that an update report on the Income Generation Project would be submitted to the next meeting of the Resources Committee.

The Committee:-

- i. **NOTED** the progress with the delivery of the Corporate Improvement Programme;
- ii. **NOTED** the development of a new Programme in line with the developing four year Budget Strategy;
- iii. **AGREED** that for future reports the detail behind any movement in the deliverable RAG status and Savings RAG status for projects be reported;
- iv. **AGREED** that a report on the Council's new website be taken to the Committee in six months; and
- v. **AGREED** that an update on the Income Generation Project be submitted to the next meeting of the Resources Committee.

18. Corporate Development Statutory Performance Indicators Report for 2013/14 and 2014/15 Quarter 1
Aithisg SPI an Leasachaidh Chorporra airson 2013/14 agus 2014/15 Cairteal 1

There was circulated Report No. RES/46/14 by the Depute Chief Executive/Director of Corporate Development which provided quarterly Statutory Performance Indicators for quarter 1 of 2014/15 relating to sickness absence and payment of invoices. It also provided annual Statutory Performance Indicators for 2013/14 relating to the percentage of females in the top 2% and 5% of earners for 2013/14.

In discussion, the following comments were made by Members:-

- While the percentage of women in the top earners category had improved, the statistics were still not good enough and the Council had to be more proactive in increasing the number of women into management positions. It was confirmed that the Council had an action plan for improvements which included an online learning resource for female employees; flexible working at senior positions and reviewing core flexible working hours;
- That future reports should include a numerical breakdown of the top women earners;
- While the staff absence figures had improved and this was welcomed, there was still a problem with long term absences and a statistical breakdown of employee groups and geography for long term absences was requested; and
- The performance indicator for top women earners did not include teachers, and it was therefore requested, that statistical information for both be included in the next report.

Thereafter, the Committee:-

- iii. **NOTED** the progress in relation to the Statutory Performance Indicators; and
- iv. **AGREED** that for the next report the following information be provided:-
 - a) proposals for improving the percentage of women employees in the top earners category;
 - b) statistical information for the percentage of women in the top earners category for both teaching and non-teaching staff; and
 - c) a breakdown of the statistical information on long term absences.

**20. Occupational Health, Safety and Wellbeing Annual Report
Aithisg Bhliadhnaíl na Sàbhailteachd 's na Falainneachd, Slàinte Obrach**

There was circulated Report No. RES/48/14 by the Depute Chief Executive/Director of Corporate Development which presented the Council's occupational health, safety and wellbeing (OHSW) performance, achievements and progress in 2013/14 and presented the plan for 2014/15.

The report provided information on performance in relation to accident/incident analysis, health and safety training and health and safety targets. Information on the work of the Council's occupational health provider, RSOH was detailed as were notable achievements in health and safety with the Council.

In particular it was welcomed that there were no Health and Safety Executive enforcement actions serviced on the Council and Members were pleased with the good progress being made in Occupational Health, Safety and Wellbeing matters.

The Committee **APPROVED** the report.

CHIEF EXECUTIVE'S OFFICE

**21. Chief Executive's Service Revenue Monitoring: Final Outturn 2013/14
Sgrùdadh Teachd-a-steach Seirbheis an Àrd-Oifigich: Toradh Deireannach 2013/14**

There was circulated Report No. RES/49/14 by the Chief Executive which presented the final outturn position for the Chief Executive's Service revenue budget for 2013/14.

The report showed total budget, including Members Services, was £22.184m and at the year end the budget was underspent by £0.128m. The report also highlighted budget variances in 2013/14.

During discussion it was requested that when there were changes to budgets, the reasons for the change should be made clear in future reports, particularly in relation to the Members Services budget.

The Committee **NOTED** the final outturn for the Chief Executive's Service revenue budget for 2013/14.

22. Chief Executive's Office and Members Revenue Monitoring to June 2014/15

Sgrùdadh Teachd-a-steach nam Ball agus Oifis an Àrd-Oifigich chun na h-Ògmhios 2014/15

There was circulated Report No. RES/50/14 by the Chief Executive which provided information on the revenue monitoring position for the Chief Executive's Office for the period 1 April 2014 to 30 June 2014.

The report showed an annual net budget of £6.765m, of which Members' Services accounted for £2.194m. Actual expenditure incurred in the first quarter of the financial year was £1.569m and £0.362m respectively.

As previously, it was requested that when there were changes to budgets, the reasons for the change should be made clear in future reports.

The Committee **NOTED** the revenue monitoring report for the period 1 April 2014 to 30 June 2014.

23. Chief Executive's Service Capital Monitoring: Final Outturn 2013/14
Seirbheis an Àrd-Oifigich: Sgrùdadh Calpa: Toradh Deireannach 2013/14

There was circulated Report No. RES/51/14 by the Chief Executive which presented the final outturn for the Chief Executive's Service Capital Budget for the year to 31 March 2014.

The report showed a series of projects amounting to a gross capital budget of £4.709m with total gross expenditure of £1.246m. Underspends on specific projects had been carried forward to 2014/15 for completion and delivery.

The Committee **NOTED** the final outturn for the Chief Executive's Service Capital Budget for the year to 31 March 2014.

24. Chief Executive's Office: Capital Monitoring to June 2014/15
Oifis an Àrd-Oifigich: Sgrùdadh Calpa: Toradh Deireannach chun na h-Ògmhios 2014/15

There was circulated Report No. RES/52/14 by the Chief Executive which set out the position for the Chief Executive's Office 2014/15 capital budget for the period to 30 June 2014.

The report showed capital projects amounting to £0.356m for the financial year 2014/15 with £0.263m spend accounted for to date. A combined underspend of £0.007m was estimated for the end of the financial year.

The Committee **NOTED** the capital monitoring report for the period to 30 June 2014.

**25. Carbon CLEVER Community Grant Fund
Maoin Tabhartais Choimhearsnachd Carbon CLEVER**

There was circulated Report No. RES/53/14 by the Head of Policy and Reform which advised that Carbon CLEVER had the aim to co-ordinate, promote, and accelerate the work that was being conducted across the Highland region to reduce carbon emissions. The Carbon CLEVER Community grant fund would assist the Council to encourage and empower communities to take local action to reduce greenhouse gas emissions.

The Carbon CLEVER Community grant fund would enable Highland Communities to reduce their own greenhouse gas emissions, take leadership on carbon reduction, engage with others, achieve value for money, gain economic benefit for their local area, whilst raising awareness and promoting low carbon behaviour. The grant fund would allow communities to utilise capital expenditure to take local action and accelerate the process of making their Community Carbon CLEVER.

The report detailed the Grant Fund criteria, the process of consideration for grant applications and consultation and support for community organisations applying for funding.

In discussion, Members made the following comments:-

- The Climate Change team was to be congratulated for the work done on Carbon CLEVER and the many initiatives that had arisen to reduce carbon emissions. The Community Grant Fund covered the whole Highland Council area and communities were encouraged to make use of this fund and other funding that was available, namely the Community Challenge Fund, European funding and lottery funding, so that they could improve infrastructure in their local area and help achieve the aim of a low carbon Highland;
- It was noted that Carbon CLEVER Community Grant Fund applications under £10,000 could be approved by Officers, and it was suggested that there was an opportunity to highlight and showcase these applications by submitting them to Area Committees instead;
- It was requested that a list of the approved Carbon CLEVER Community Grant Fund applications be submitted to Committee twice a year, and some of the successful applications should be published on the Council's website, as good examples for other community groups to follow; and
- It was requested that a review of the Carbon CLEVER Community Grant Fund be undertaken after it had been operating for a year.

Thereafter the Committee:-

- i. **AGREED** the proposed criteria and associated process and timescales for the Carbon CLEVER Community grant fund;
- ii. **NOTED** the development of a Carbon CLEVER Ideas Bank to support and encourage communities interested in the Carbon CLEVER Community fund;

- iii. **AGREED** that in future applications under £10k should be submitted to Area Committees for approval – and that a list of the approved applications should be submitted to the Resources Committee on a quarterly basis so that the Committee could take an overview of how the funds were being committed. This would allow some of the successful submissions to be published on the Council Website; and
- iv. **AGREED** that a review of the Carbon CLEVER Community Grant Fund be undertaken after a year of operation with a report back to Committee.

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

The Committee:-

- i. **NOTED** the Minutes of the Early Retirement Sub-Committee held on 19 June 2014;
- ii. **NOTED** the Minutes of the Head of Service Recruitment Panel held on 2 July 2014;
- iii. **APPROVED** the Minutes of the Joint Consultation Group (Administration Etc, Manual and Crafts Staffing) held on 8 August 2014, subject to the following amendment:-

Item 4 – Minutes of Meeting – third paragraph be amended to read “The Chair confirmed that it would be checked why the RCN trade union representative had not received her papers for the meeting.”
Arising from the minutes, it was noted that a review of the Pupil Support Assistant review process was to be carried out and that the outcome of this would be reported to the Joint Consultation Group.
- iv. **APPROVED** the Minutes of the Central Safety Committee held on 8 August 2014; and
- v. **APPROVED** the Minutes of the Welfare Reform Working Group held on 15 August 2014.

**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 involved the likely disclosure of exempt information as defined in Paragraphs 6 & 9 of Part 1 of Schedule 7A of the Act.

CORPORATE DEVELOPMENT SERVICE

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

The Minutes of Meeting of the ICT Executive Board (Members) held on 17 July 2014 and 11 August 2014 were circulated and **APPROVED**.

**29. ICT Reprovision Sourcing Strategy Report
Ath-sholar TFC**

There was circulated to Members only Report No. RES/54/14 by the Depute Chief Executive/Director of Corporate Development which presented the ICT Reprovision Sourcing Strategy for approval. An interim sourcing strategy was approved by Members at the Finance, Housing and Resources Committee in November 2013.

In addition to settling the scope and definition of the Service Towers the work undertaken had included reviewing the procurement options available including the availability of existing framework agreements and the sourcing strategy now identified the probable procurement route to be adopted for each element of service.

The Committee **NOTED** the risks and the actions being taken and **APPROVED** the Sourcing Strategy.

FINANCE SERVICE

30. Capital Discretionary Fund Application: Inverness Badenoch & Strathspey Citizens Advice Bureau: Purchase of new Premises in Inverness

Tagraidhean do Mhaoin Calpa fo Ùghdarra: Biùro Comhairleachaidh a' Phobail airson Inbhir Nis, Bàideanach & Srath Spè: Ceannach Togalach ùr ann an Inbhir Nis

Declaration of Interest - Mr A Christie declared a financial interest in this item as General Manager and Company Secretary of Inverness, Badenoch & Strathspey Citizens Advice Bureau, and left the Chamber for the determination of this item.

There was circulated Report No. RES/55/14 by the Director of Finance which sought approval to transfer the agreed funding to allow the acquisition by the Inverness, Badenoch & Strathspey Citizens Advice Bureau of a different building in Inverness, and to approve conditions relating to the award of grant funding.

Following a vote, the Committee **AGREED** the recommendations as outlined 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. RES/56/14 by the Director of Finance which in accordance with good accounting practice, recommended the write-off of uncollectable debts.

The Committee **AGREED**:-

- i. that the total value of debts as detailed in the report be written off, subject to the write-off of Reference No. 162448 being deferred for further investigation with a report back to the next meeting; and
- ii. to investigate whether case reference no. 162448 could be made public and if it could this decision be delegated to the Director of Finance in consultation with the Chair and Vice Chair of the Resources Committee.

The meeting ended at 3.35 p.m.