

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 May 2015 at 10.30 am.

Present:

| | |
|------------------------------|--------------------------|
| Ms M Smith | Mr K Gowans (substitute) |
| Dr D Alston | Mr R Laird |
| Mrs C Caddick | Mr B Lobban |
| Miss J Campbell (substitute) | Mr D MacKay |
| Mrs H Carmichael | Mr A MacKinnon |
| Mr A Christie | Mr T MacLennan |
| Dr I Cockburn | Mr D Millar |
| Mrs M Davidson | Mr F Parr |
| Ms J Douglas | Mr B Thompson |
| Mr D Fallows | Mr H Wood |

Non Members also Present:

| | |
|---------------|----------------|
| Mr A Baxter | Mr G Mackenzie |
| Mr B Clark | Mrs M Paterson |
| Mrs G Coghill | Mr T Prag |
| Mr B Fernie | Mr G Rimell |
| Mr R Greene | Mr J Rosie |

Officials in attendance:

Ms M Morris, Depute Chief Executive/Director of Corporate Development
Mr D Yule, Director of Finance
Mr A Gunn, Head of Revenues and Business Support, Finance Service
Mrs S McKandie, Exchequer Manager (Policy & Development), Finance Service
Mr B Murison, Income and Recovery Manager, Finance Service
Ms R MacDonald, Trainee Accountant, Finance Service
Mr D Goldie, Head of Housing, Community Services
Ms G Ward, Housing Policy Officer, Community Services
Mr S Fraser, Head of Corporate Governance, Corporate Development Service
Ms V Nairn, Head of Digital Transformation, Corporate Development Service
Mr J Batchelor, Head of People & Performance, Corporate Development Service
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
Ms E Johnston, Corporate Performance Manager, Corporate Development Service
Ms E Barrie, HR Manager, Corporate Development Service
Mr K Fox, ICT Re-provision Programme Manager, Corporate Development Service
Mr J Shepherd, ICT Operations Manager, Corporate Development Service
Mr D Scott, Project Manager, Corporate Development Service
Ms A Clark, Policy Officer, Chief Executive's Office
Mr A MacCann, Economy & Regeneration Manager, Planning and Development Service
Mr G Bull, Corporate Property Asset Manager, Development & Infrastructure Service

Mr C Anderson, Property Manager (Operational Estate Management), Development & Infrastructure Service

Mrs L Dunn, Principal Committee Administrator, Corporate Development Service

Ms A Macrae, Committee Administrator, Corporate Development Service

Miss J Green, 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 Mr B Gormley, Mr D Hendry, Mrs D Mackay, Mrs I McCallum, Mr Morrison and Mrs C Wilson.

**2. Declarations of Interest
Foillseachaidhean Com-pàirt**

The Committee **NOTED** the following declarations of interest:

Item 6: **Non-Financial:** Mr A Christie

Item 8: **Non-Financial:** Mr A Christie

Item 10(a): **Non-Financial:** Mr A Christie and Ms J Douglas

Item 10(b): **Non-Financial:** Mr A Christie

Item 11: **Non-Financial:** Mr A Christie

Item 26: **Non-Financial:** Mr A Christie

Item 27: **Non-Financial:** Mr D Fallows, Mr B Fernie, Mr B Lobban, Mr T Prag and Mr T Maclennan

**3. Good News Stories
Deagh Naidheachdan**

The Committee **NOTED** that:-

- the Council had been successful in achieving PSN accreditation for the next two years;
- Rachel MacDonald, Trainee Accountant, had won a prize from CIPFA for “Best Overall Performance in the Diploma level for Public Finance and Taxation” and had been presented with her award at the CIPFA graduation ceremony on Friday 15 May 2015; and
- the UHI Postgraduate Certificate in Public Service Leadership had been awarded to Debbie Milton, Carol Campbell, Iain Swayne, Evelyn Johnston and Elaine Barrie.

**4. Membership of Sub-Committees
Ballrachd Fho-Chomataidhean**

The Committee **AGREED** the following changes to membership:-

- Appeals Committee – Mr A Mackinnon to replace Mr N Donald; and
- Early Retirement-Sub-Committee – Mrs H Carmichael to replace Mr N Donald

FINANCE SERVICE SEIRBHEIS AN IONMHAIS

5. Corporate Revenue Near Final Monitoring Report for 2014/15 Aithisg Sgrùdaidh Faisg air Deireannach a thaobh Teachd-a-steach Corporra airson 2014/15

There had been circulated Report No RES/30/15 by the Director of Finance which presented the financial position of the revenue budgets of the General Fund and Housing Revenue Account (HRA) as at 31 March 2015.

During discussion, Members raised the following issues:-

- Officers were commended for managing the budget and achieving an underspend during challenging times, and although it was appreciated how small a percentage this was of the overall budget, concern was expressed at the message a continued underspend sent out to staff and the public who were being asked to continually absorb cuts to jobs and services. Therefore, it was suggested that there was a need for improved budget monitoring and it was further requested that a large proportion of the underspend should be invested in road improvements and that the budget savings agreed in December 2014 should be revisited, particularly around Education and Social Work, so that some of the impact on communities could be deferred or mitigated;
- any underspend was used to help manage future budgets and it was important to communicate the message to the public that considering the size of the overall budget the margin of underspend was as small as reasonably practical;
- in relation to the underspend in the loan charges budget due to continuing favourable interest rates and a delayed need for borrowing, the interest saved would have been known on a monthly basis and could have been invested into the local economy;
- savings made, for example in the loan charges budget, were kept to balance the year-end budget;
- a clear overview and awareness was important when setting the budget and caution was needed when making savings, particularly on a small scale, that impacted on front line services;
- good governance and scrutiny of budgets and service delivery was important to make informed decisions which required understandable budget summaries that outlined the base budget and the anticipated year-end outcome and identified any changes in the budget;
- updates to the budget position were presented to service committees;
- the underspend in previous years had been used for specific purposes on a one-off basis which included roads; and
- any further budget commitments should be made once the final budget position had been presented to Council.

Following discussion, the Committee **NOTED**:-

- i. the Revenue Expenditure Monitoring Statement as at 31 March 2015 which showed a near final position of £4.180m underspend, plus an additional £1.406m Council Tax collected, giving a total underspend for the year of £5.586m; and
- ii. that the final position would be reported to the Council on 25 June 2015.

* The Committee also **AGREED TO RECOMMEND** to give consideration to roads maintenance at the next meeting of the Council on 25 June 2015.

6. Corporate Capital Near Final Monitoring Report for 2014/15
Aithisg Sgrùdaidh Faisg air Deireannach a thaobh Calpa Corporra airson 2014/15

Declaration of Interest - Mr A Christie declared a non-financial interest in this item as General Manager and Company Secretary of Inverness, Badenoch and 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 had been circulated Report No RES/31/15 by the Director of Finance which provided an overview of expenditure on the General Fund and Housing Revenue Account (HRA) capital programmes for the period from 1 April 2014 to 31 March 2015.

During discussion, Members raised the following issues:-

- over-programming was a tool to help balance the budget and was successfully used to ensure the capital expenditure budget was fully utilised;
- that the best method of reporting to achieve transparency in presentation and reflect multi-year projects be investigated;
- an update on the War Memorials Fund was sought and provided by the Director of Finance;
- it was good news that more was spent in the current year than in previous years;
- exercising less caution and spending more ambitiously and investing in the local economy would support contractors, increase employment and improve services;
- there was a need to be aware of the real world impacts of slippage of timescales and it was also recommended that projects that most affected people be prioritised, for example installation of new heating systems and housing insulation;
- procurement was an important element of capital projects and training would be held on this on 31 July 2015, in addition, further training on finance was being arranged following the recess, which would include information on the distribution of financial resources used to carry forward the capital programme;

- a rigorous review should be undertaken when examining the capital programme of the processes that were used relating to project delivery, timescales and cash flow so that a clear overview was taken of project management within and across services;
- concern that projects were not being delivered on time due to a lack of staffing;
- an awareness was needed of external factors which delayed target completion dates for projects including the office rationalisation project in Kingussie and the Noss Primary School project;
- there was a proposal to restructure the capital monitoring and estates department within the Care and Learning Service and increase the number of staff in recognition of the capacity to achieve a diversity of projects across a large geographic area; and
- the Capital Programme Monitoring Board, chaired by the Director of Development and Infrastructure, was in place to track the progress of major projects.

The Committee **NOTED**:-

- i. the Capital Expenditure Monitoring Statement as at 31 March 2015 which showed a near final position of £14.237m underspend; and
- ii. that the final position would be reported to the Council on 25 June 2015.

7. Treasury Management – Summary of Transactions Rianachd Ionmhais – Geàrr-chunntas de Ghnothaichean

There had been circulated Report No RES/32/15 dated 12 May 2015 by the Director of Finance which provided details on the Treasury Management transactions undertaken within the period which had been submitted to the Committee in compliance with CIPFA's Code of Practice on Treasury Management and the Council's approved Financial Regulations.

In discussion, Members welcomed the broadened scope on the choice of banks that the Council now used and requested that the impact on bank ratings of the new UK bank bail-in legislation be included within the next Treasury Management report.

The Committee:-

- i. **NOTED** the use of Svenska Handelsbanken in compliance with the Treasury Management Strategy;
- ii. **NOTED** the Treasury Management Summary of Transactions reports; and
- iii. **AGREED** that the impact on bank ratings of the new UK bank bail-in legislation be included within the next Treasury Management report.

8. Finance Service Plan 2015/16 Seirbheis an Ionmhais – Plana Seirbheis 2015/16

Declaration of Interest - Mr A Christie declared a non-financial interest in this item as General Manager and Company Secretary of Inverness, Badenoch and 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 had been circulated Report No RES/33/15 dated 7 May 2015 by the Director of Finance which introduced the Finance Service Plan, updated for 2015/16, which identified the enabling actions and key performance results which would deliver 'Working together for the Highlands', the Programme of the Highland Council as revised on 27 May 2015. It also outlined the statutory and core functions of the Service including the Single Outcome Agreement.

During discussion, Members made the following comments:-

- it would be helpful when reading the papers if the introduction to the report highlighted the changes that had been made to the plan;
- in relation to performance reporting, more exacting targets were set which was welcomed and the importance of regular reporting was stressed;
- considering the size, the Finance Service was ideal to decentralise which would help sustain communities and information on the current geographical spread of staff within the department was requested;
- the programme commitment to investigate new opportunities for non-domestic rate incentives needed to be completed quickly to mitigate against the effect of online shopping on town centres and areas that did not benefit from the Small Business Bonus Scheme; and
- the Small Business Bonus Scheme was a tremendous incentive for small businesses but in areas heavily reliant on tourism larger business were registering individual properties as a limited company so that they were eligible for the Scheme and could avoid having to pay business rates. In response it was confirmed that the Council and other Local Authorities had raised this issue with the Scottish Government.

The Committee **APPROVED** the Finance Service Plan updated for 2015/16.

9. Finance Service's Business Continuity Plan Plana Leantainneachd Gnothachais Seirbheis an Ionmhais

There had been circulated Report No RES/34/15 dated 13 May 2015 by the Director of Finance which introduced the Finance Service's Business Continuity Plan (BCP). This plan identified key business activities delivered by the Service. It had been prepared according to a methodology agreed by the Executive Leadership Team which identified key activities which must be maintained against a range of timeframes. Once the Service's BCP was formally adopted, it became an integral part of the Council's overall General BCP. Any identified training for staff in the activation of the Service's BCP would follow, as would testing and periodic (annual) review.

In discussion, Members sought assurance that the plan was reviewed following an incident to ensure its effectiveness.

The Committee **AGREED** the Service's Business Continuity Plan which would then become part of the Council's overall General Business Continuity Plan.

10. Welfare Reform Ath-leasachadh Shochairan

a) Update Cunntas às Ùr

Declaration of Interest - Mr A Christie declared a non-financial interest in this item as General Manager and Company Secretary of Inverness, Badenoch and 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 had been circulated Joint Report No RES/35/15 dated 14 May 2015 by the Director of Finance and the Director of Community Services which provided information on the current status of Universal Credit and other Welfare initiatives. It also provided financial monitoring information for 2014/15, covering the Council's considerable involvement in this area of work.

During discussion, Members raised the following issues:-

- the number of Universal Credit applications made to switch back to direct payments to landlords during the pilot phase was confirmed as 15;
- officers were commended for successfully using the impacts and lobbying for change to introduce switch back payments which was influential nationally;
- there was a need to monitor information on the length of delays and which benefits were being delayed to build up evidence to use to lobby and seek national change;
- it was difficult to extract meaningful data relating to the reasons for delays in benefit payments which were important to understand;
- the Conservative led UK government indicated an acceleration of further welfare reform and a briefing of the Queen's Speech would be helpful to provide an early guideline of the future impact to welfare benefits;
- the number of pre-payment meters being installed had considerably increased and the commitment to fuel poverty needed revisiting focussing on mitigating the impact on Council house tenants working in partnership with RSLs;
- pre-payment meters helped energy companies to collect debts but were disadvantageous for the poor and there were difficulties switching back to a conventional energy supply once debts had been paid off;
- vulnerable people in Highland would be disproportionately impacted by further cuts to welfare benefits due to the geography and difficulty of spreading resources to intervene and provide support so it was important to investigate the community capacity, raise awareness and work in partnership with advice agencies and support groups;

- one of the top reasons for referrals to foodbanks was low income which was not as a result of bureaucratic problems but as a result of structural inequality in society and there was a need for the Council to take leadership on the multitude of anti-poverty strategies, which included welfare reform, across Highland working with support agencies which would be the main issue over the next five years;
- the main spending priorities for people on low income were food, heating, housing and transport and the Council could do more to help, for example, spreading the message of the living wage, insulating Council houses and subsidising public buses;
- to emphasise the priority of addressing poverty the equality implications of the report template be expanded to include anti-poverty measures;
- it was not clear to some claimants what support was available and where from when waiting for benefits payments;
- Universal Credit claimants waiting several days before they were entitled to benefit was not ideal and in response it was confirmed that claimants in those circumstances could apply for a crisis grant;
- although data sharing was useful there was concern around the confidentiality of claimants' personal information and in response it was explained that at present the claimant's consent was not needed to share data with landlords and the Information Commissioner was in discussion with the DWP about the content to ensure privacy was protected when data was shared with advice agencies and support groups;
- the Scottish Welfare Fund, which was a fixed budget funded by the Scottish Government, was overspent by £80,000 which would be offset by the underspend in the previous year;
- the Council-owned Framework to supply, deliver and install second hand furniture was welcomed;
- bereavement benefits was one aspect welfare reform had not changed but there was limited scope for local authorities to supplement funeral grants and it was confirmed that a review of this would be undertaken at next meeting of the Welfare Reform Working Group; and
- a seminar on poverty would take place in the Autumn and it was important to consider the next steps focussing on the issue of anti-poverty using the work of the Joseph Rowantree Foundation as a framework and the commitment to strengthening local democracy to restore local government involvement in the discussion on expenditure and taxation.

The Committee **NOTED**:-

- i. that Universal Credit was now available in the five jobcentres outwith Inverness for single claimants and the expansion in Inverness Jobcentre to accept new Universal Credit claims from families;
- ii. the local impact of welfare changes and ongoing reform;
- iii. ongoing partnership working between Services and with the DWP to improve processes and client communication;

- iv. the increasing demand for Foodbanks in Highland and that the main reason for this increased demand was benefit delays;
- v. the extensive and ongoing contribution that Officers were making to help shape the welfare system in Scotland and the UK; and
- vi. the management information and budgetary position provided in the appendices to the report.

The Committee also **AGREED** that a briefing note on the Queen's Speech be circulated to all Members to provide an early guideline of the future impact to welfare benefits.

b) Fund Proposals
Molaidhean na Maoin Sochairean

Declarations of Interest - Mr A Christie declared a non-financial interest in this item as General Manager and Company Secretary of Inverness, Badenoch and 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 had been circulated Joint Report No RES/36/15 dated 11 May 2015 by the Director of Finance, the Head of Policy and Reform and the Head of Digital Transformation which recommended an allocation of £191,565 from the Council's Welfare Fund, which currently totalled £849,435. The allocation would enable: enhanced support for tenants, better digital inclusion across the region and support for families with children through a refreshed approach to school clothing grants. The proposals were supported by the Council's Welfare Reform Working Group.

In discussion Members asked, considering the significant under allocation of the Welfare Fund for the current year, to increase the recommended grant amount for school clothing by £11 on the initial proposed increase to £70 per claim. At £81 per claim, this reflected the lowest price for small sizes.

In relation to the Citizens Online project, Members wished to extend the pilot in Beauly that had worked incredibly well across Highland. In response to a question on funding, it was confirmed that HIE would contribute to the overall cost of the project.

The Committee **APPROVED** funding for three proposals from the Council's Welfare Fund, namely:-

- i. £28,500 over four years for the 'Count your cash days' for tenants;
- ii. £90,000 for the Citizens Online project for 2015/16; and
- iii. £118,044 in 2015/16 for increasing the school clothing grants to £81 per annum per child eligible, with one rate paid.

The Committee also **NOTED** that further proposals for the remaining £612,102 in the fund would be developed and brought back to Committee for consideration and with the scope for EU programme funding to grow the Fund to 2018.

**11. Finance Service – Quarterly Performance Report
Aithisg Coileanaidh Ràitheil Seirbheis an Ionmhais**

Declaration of Interest - Mr A Christie declared a non-financial interest in this item as General Manager and Company Secretary of Inverness, Badenoch and 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 had been circulated Report No RES/37/15 dated 7 May 2015 by the Director of Finance which provided a summary of the key and statutory performance indicators for the Finance Service as at 31 March 2015.

During discussion, Members made the following comments:-

- the presentation of the report was excellent and allowed Members to effectively carry out their scrutiny role;
- the Customer Income Maximisation team was congratulated for achieving a significant increase on the previous year in the amount of financial benefit to customers from advice given; and
- the amount of accounts that had a single occupancy discount in payment was a high percentage of the overall total accounts and in response it was explained that this was not the amount of properties with one occupant because when counting the number of adults living in a property some people who met specific conditions were excluded such as students, carers and apprentices.

The Committee **NOTED** these statutory and key performance indicators.

**12. Finance Service Workforce Plan 2015-2019
Plana Sgioba-obrach Seirbheis an Ionmhais 2015-2019**

There had been circulated Report No RES/38/15 dated 18 May 2015 by the Director of Finance which set out a summary of the Finance Service Workforce Plan for 2015-2019.

In discussion, Members queried what the possible impact would be of older experienced staff leaving and the reduction in management layers on staff promotional aspirations and opportunities and what effect it would have on succession planning in the longer term.

The Committee **AGREED** the Finance Service Workforce Plan 2015-2019.

13. Audit Reports Aithisgean Sgrùdaidh

a) Audit Scotland National Report – Borrowing and Treasury Management in Councils Aithisg Coimisean nan Cunntasan – Iasad agus Rianachd Roinn an Ionmhais

There had been circulated Report No RES/39/15 dated 14 May 2015 by the Director of Finance which commented on and provided a recommendation from the National Report in respect of the Council's borrowing and treasury management activity.

During discussion, Members raised the following issues:-

- caution should be taken when interpreting officers' advice that had been simplified;
- training on treasury management would be provided later on in the year to improve Members' understanding and ability to scrutinise officers' advice;
- in addition to the response given at paragraph 2.3.2 to the report, financial training which included elements of treasury management had been provided last year; and
- further to the response in paragraph 2.2.5 of the report, joint planning in order to negotiate with training providers was being undertaken with Moray Council and Argyll and Bute Council.

The Committee:-

- i. **NOTED** the findings of the Audit Scotland National Report on Borrowing and Treasury Management;
- ii. **NOTED** that the Highland Council already complied with the majority of the recommendations; and
- iii. **AGREED** that future Treasury Management Reports contain reference to the on-going revenue budget implications of the Capital Plan.

b) Audit Scotland – Major Capital Investments in Councils: A Follow-up Report Sgrùdadh Alba – Tasgaidhean Mòra Calpa ann an Comhairlean: Aithisg Iar-Sgrùdaidh

There had been circulated Report No RES/40/15 dated 13 May 2015 by the Director of Finance which considered the key issues arising from this national report, highlighted the main issues for Highland Council to consider, and recommended improvements to existing practice.

During discussion, Members raised the following issues:-

- there was no doubt that the Council had strong financial management in place but needed to improve reporting on major capital projects;

- although Audit Scotland's reports had improved in recent years their annual questionnaire to the Chairmen was not focussed on the issues and the presentation of risks that were highlighted and reference to Councils in general was misleading;
- the action plan attached to the Audit Scotland report, which should be circulated, identified the risks and included recommendations to improve costs projections relating to inflation, to increase the frequency of project updates and of particular significance, to undertake consistent post-project evaluations so that lessons could be learnt from successes and failures;
- a follow-up report was being presented because Audit Scotland felt it was not clear that the actions agreed in response to the national report's findings had been taken forward and to mitigate against this the possibility of introducing rolling action plans was being explored; and
- for ease of Members and the public's understanding, costs for capital projects be based on the cost of completion taking into account inflation.

The Committee **NOTED** the:-

- i. Audit Scotland Report and the management responses and proposed actions;
- ii. proposed enhancements to existing policy and practice:-
 - regular reporting, on a whole life basis, of all major projects over a value of £5m;
 - submission of a project evaluation at the end of each major project over the value of £5m;
 - inflation provision to be made for all significant projects where there was a time gap between evaluation and completion; and
- iii. the proposed training programme for Members.

The Committee also **AGREED** that the Action Plan be circulated to all Members.

14. Public Consideration of Company Debts Beachdachadh air Fiachan airson an Dubhadh Às

At the Resources Committee meeting on 25 February 2015, following consideration of a joint report by the Director of Finance and the Head of Corporate Governance, a further report was requested to enable Members to debate whether the write-off of company debts should be considered in public.

In this regard, there had been circulated Report No RES/41/15 dated 14 May 2015 by the Director of Finance which advised Members of the company information available within the public domain and set out the options available for considering debt write-off.

During discussion, Members:-

- were initially in favour of debating the write off of company debts in public but in considering the risks involved supported the continuation of the status quo, i.e. to debate in private and not to publish decisions;

- called for more robust activity including referring Directors to Companies House for disqualification for acting inappropriately whilst recognising that some companies went into liquidation for genuine reasons;
- sought clarification on the detrimental impact on collection of local taxation of debating the write-off of company debts in public and in response it was explained that the public were not aware of the full extent of the write off process and might see it as an opportunity to avoid payments; and
- asked to be invited to comment on Non-Domestic Rates recovery actions and in response it was explained that although Members currently had the opportunity to share their local knowledge prior to the report being presented to Committee, that arrangements would be put in place to provide Members with the opportunity to comment on proposed recovery actions prior to consideration for write off.

The Committee:-

- NOTED** the content of this report including the legal, risk, resource and rural implications of debating debt write-off information in the public domain; and
- AGREED** to continue to debate the write off of company debts in private and to not publish decisions (Option 4).

CORPORATE DEVELOPMENT SERVICE SEIRBHEIS AN LEASACHAIDH CHORPORRA

15. Corporate Development Service – Draft Service Plan 2015/16 Plana Gnothachais Seirbheis an Leasachaidh Chorporra 2015/16

There had been circulated Report No. RES/42/15 dated 4 May 2015 by the Depute Chief Executive/Director of Corporate Development which outlined how the Service would lead and support commitments which would deliver 'Working together for the Highlands', the Programme of the Highland Council. The Plan also detailed how the new Service would operate, its approach and priorities.

Arising from the report it was confirmed that 2015/16 budget included service efficiency savings for the Corporate Development Service of £1.760m and not £1.780m as stated in Appendix 1 to the Report:

During discussion, Members raised the following points:-

- that the Election Office and staff be commended on their contribution to the increased turn out at the General Election which had been observed across the Highlands and in dealing simultaneously with the Nairn by-election; and
- that the staff involved in the refurbishment of the Council Chamber also be commended on delivering the project on time, within budget and with the minimum of disruption to Members, and also on delivering an improved webcast service.

The Committee **APPROVED** the draft Service Plan for 2015/16.

16. Corporate Development Service's Business Continuity Plan Plana Leantainneachd Gnothachais Seirbheis an Leasachaidh Chorporra

There had been circulated Report No. RES/43/15 dated 6 May 2015 by the Depute Chief Executive/Director of Corporate Development which introduced the Corporate Development Service's Business Continuity Plan (BCP). This plan identified key business activities delivered by the Service. It had been prepared according to a methodology agreed by the Executive Leadership Team which identified key activities which must be maintained against a range of timeframes. Once the Service's BCP was formally adopted, it became an integral part of the Council's overall General BCP. Training for staff in the activation of the BCP would follow, as would testing and periodic (annual) review.

During discussion, Members raised the following points:-

- that following the storm conditions experienced in January 2015, Scottish and Southern Energy had been proactive in encouraging communities to develop resilience plans and clarification was sought on the approach being taken by the Council in this regard across the Highlands and also as to how these resilience plans interfaced with the Council's business continuity plans; the Depute Chief Executive/Director of Corporate Development advised that this issue related more directly to the Council's emergency planning arrangements and that she would feed Members comments in this regard back to the Emergency Planning and Business Continuity Manager;
- that communication had been a key issue during recent a landslip and major road closure in Loch Ness-side, where it had been difficult to get up to date information through the Council, online and through the media and the need to reflect on the problems experienced with communications as a key issue;
- that clarification be provided on the lessons learned and actions taken following the storms and power outages experienced in January 2015; the Depute Chief Executive/Director of Corporate Development advised that a lessons learned exercise had been held following the extreme conditions experienced in January 2015 and that a briefing would be provided to Members in regard to the outcome of that exercise and the actions taken; and
- the opportunities through the Council's current contract with Vodafone to seek improvements to its services outwith Inverness, particularly in regard to mobile phone coverage; the Depute Chief Executive/Director of Corporate Development advised that while the above contract related to the wide area network rather than the public network, she was aware that the Director of Development and Infrastructure was currently undertaking work in regard to mobile connectivity in the Highlands and she would discuss with him the opportunities to raise this issue as part of that ongoing work.

The Committee:-

- i. **APPROVED** the Corporate Development Service's Business Continuity Plan; and

- ii. **AGREED** that a briefing for Members be provided on the lessons learned and actions taken by the Council following the storms and power outages in January 2015.

**17. Corporate Development Service Workforce Plan 2015-2019
Leasachaidh Chorporra – Plana Leasachaidh Sgioba-obrach 2015-2019**

There is circulated Report No. RES/44/15 dated 15 May 2015 by the Depute Chief Executive/Director of Corporate Development which set out the Corporate Development Service Workforce Plan for 2015-2019, for Members consideration and approval.

During discussion, Members welcomed the development of the Plan and raised the following points:-

- that opportunities for workforce planning be developed at a community/local level;
- in regard to the above it was suggested that workforce planning should be part of the remit of any organisations formed in regard to ongoing work around community empowerment and renewing local democracy with the Council's plans being used as a model;
- that opportunities to disperse jobs across the Highlands to help sustain communities should be built into the development of workforce plans across the Council;
- it was suggested that there was need for greater focus on improving on the delivery of mobile and flexible working across all Services;
- it was important to consider a range initiatives for the Council in conjunction with NHS Highland to grow and develop its own staff to meet the demand for professional posts across the Highlands;
- that the Plan represented a good strategic overview of the workforce and that the employee age distribution information was crucial in regard to managing flexible working and retirements and the Service should be commended on its approach in this regard;
- that the employee satisfaction rates of 72% for the Corporate Development Service as detailed in the report be welcomed;
- that proposals set out in the Plan to minimise the need for fixed term posts and to create permanent posts instead was welcomed on the basis that it built confidence and improved morale amongst staff and allowed the Council and staff to plan better in the longer term;
- a point in regard to how the Service going forward would achieve a balance between less management layers but still be able to offer career progression; and
- the opportunities to work in partnership with other agencies to consider initiatives to attract couples and families to the Highlands with a view to attracting recruits to posts which were proving difficult to fill such as head teacher posts.

The Committee **APPROVED** the Corporate Development Service Workforce Plan 2015-2019.

18. Corporate Development – Statutory Performance Indicators, Quarterly Performance Report
Aithisg Choileanaidh Ràitheil Seirbheis An Leasachaidh Chorporra

There had been circulated Report No. RES/45/15 dated 14 May 2015 by the Depute Chief Executive/Director of Corporate Development which provided quarterly Statutory Performance Indicators for Quarter 4 of 2014/15. It also provided data trends and a statistical breakdown of long term absence for all Council Services.

In regard to the payment of invoices it was confirmed that the Service was exceeding the Council's target. In terms of the performance indicators for sickness absence the Service continued to perform well and absence was below the Council average.

During discussion, Members raised the following points:-

- reference was made to the rates of absence set out in the report due to stress related/depression/debility and the opportunities to encourage self-referrals by staff to counselling services on the basis this might assist staff and also have a positive impact on the statistics; the Chair advised that this matter was currently being investigated by the Occupational Health, Safety and Wellbeing Manager, noting that there might be an associated cost implication; and
- it was requested that the relationship between the figures shown for employee satisfaction levels and absence rates as detailed in the report be explored in more detail.

The Committee:-

- i. **NOTED** the performance in relation to sickness absence and payment of invoices; and
- ii. **AGREED** that the relationship between the statistics shown for employee satisfaction levels and absence rates be explored in more detail.

19. Corporate Improvement Programme – Closure Report
Prògram Leasachaidh Chorporra – Aithisg Dùnaidh

There had been circulated Report No RES/46/15 dated 14 May 2015 by the Depute Chief Executive/Director of Corporate Development which explained that the Corporate Improvement Programme 2 (CIP2) closed on 31 March 2015. The programme achieved £5.28m in efficiency savings for the period 2013/14 and 2014/15. A number of the current initiatives would be developed further under the Transformational Savings Programme which would be reported to future Resources Committee Meetings.

During discussion, Members raised the following points:-

- the importance of the Corporate Improvement Programme and going forward the wider Transformational Savings Programme was emphasised and welcomed in terms of the ability of the Council to work more effectively and to deliver significant savings and protect front line services; and

- clarification was sought in regard to when Members would be advised of the outcome of the customer services review by the Customer Services Board and the opportunities for Members to debate and discuss the findings of the Board; The Depute Chief Executive/Director of Corporate Development advised that the minutes of the most recent meeting of the Customer Services Review Board held on 25 May 2015 would be presented to the Council on 25 June 2015 and clarified that the final decision had been delegated by the full Council to the Board, in March 2014, provided the Board could meet the objectives, including finding the agreed level of savings.

The Committee **NOTED** the report and the arrangements that had been made for the governance and implementation of the Council's Transformational Savings Programme.

20. ICT Services Performance Report - October 2014 to March 2015 **Aithisg sia-mìosan TFC**

There had been circulated Report No. RES/47/15 dated 5 May 2015 by the Depute Chief Executive/Director of Corporate Development which provided an update on the key achievements of the ICT Services Team, the delivery of services by the Council's ICT providers principally Fujitsu Services and Vodafone for the period from October 2014 to March 2015.

During discussion, Members raised the following points:-

- that the success of the pilot to test the new Office 365 "cloud" email service and the proposal to roll out the service to Members from June to August 2015 be welcomed; and
- an update was sought and provided in regard to progress with the roll out of the Wireless Guest Access project .

The Committee **NOTED:-**

- i. the content of the report and the positive outcomes being delivered from the contracts with Fujitsu and Vodafone;
- ii. the successful 2-year PSN re-accreditation; and
- iii. that robust contract management and governance arrangements continued to be applied and pursued by the Council to the Fujitsu and Vodafone contracts.

21. Unified Communications Project **Cunntas às Ùr mu Chonaltraidhean Aonaichte**

There had been circulated Report No. RES/48/15 dated 12 May 2015 by the Depute Chief Executive/Director of Corporate Development which provided an update on the Unified Communications (UC) Project outlining the current progress with the project and the estimated ongoing benefits, costs and savings that could be realised from the deployment of the UC solution.

During discussion, Members raised the following points:-

- that thanks be conveyed to all the staff involved in the pilot phase of the project in Dingwall on the basis this had delivered an improved system to be rolled out;
- that there was a need to upgrade the video conferencing service to Portree given current technical issues with the reliability of the connection;
- that the proposal to provide small and highly portable units as part of the new video conferencing estate be welcomed; and
- that information be provided on the discussions taking place between the Council and its public and private sector partners with a view to improving the compatibility and functionality of video conferencing facilities.

The Committee **NOTED**:-

- i. the completion of the pilot phase of the Unified Communications project;
- ii. the benefits which would be delivered for the Council as part of the Unified Communication project;
- iii. the position with regard to timescales, costs and future rollout plans;
- iv. that the forecast project costs had increased but that they were being managed within the overall ICT budget; and
- v. the benefits and ongoing revenue savings of £300,000 to be achieved through this project.

22. Pathfinder North – Transition to Scottish Wide Area Network Pathfinder Tuath agus Glusad gu Lìonradh Sgìreil air Feadh na h-Alba

There had been circulated Report No. RES/49/15 dated 11 May 2015 by the Depute Chief Executive/Director of Corporate Development which provided an update on the current status of Pathfinder North (PFN) which was the five local authorities shared services partnership comprising of Argyle & Bute Council, Comhairle nan Eilean Siar, Highland Council, Moray Council and Orkney Islands Council, and its membership within the new Scottish Wide Area Network Partnership (SWAN).

A report to Highland Council on 13 March 2014 recommended that Highland Council act as the Lead Authority within the Pathfinder North Partnership to enter into a contract for the provision of broadband services as part of the (SWAN) initiative. The recommendations in the report were approved and Member approval was also given at this time for the Detailed Business Case and associated savings. The contract was signed in October 2014 and the purpose of this report was to update Members on the progress to transition services on to SWAN and the associated savings position.

The Committee **NOTED** progress with regard to the transition planning and the budget position.

23. Early Retirement/Voluntary Severance Scheme Poileasaidh ER/VR Ath-sgrùdaichte

There had been circulated Report No RES/50/15 dated 15 May 2015 by the Depute Chief Executive/Director of Corporate Development which proposed a

revised Early Retirement/Voluntary Severance (ER/VS) Scheme following consideration by the Staff Partnership Forum (SPF) on 6 February 2015 and 15 May 2015.

Arising from the report it was noted that the Staff Partnership Forum at its meeting on 15 May 2015 had agreed to the renaming of the Early Retirement/Voluntary Severance Scheme to the Employment Release Scheme and the Early Retirement Sub Committee to the Employment Release Sub-Committee.

The Committee **APPROVED**:-

- i. the revised proposals and the recommendations as set out in Section 2 of the report and the renaming of the Scheme and the Sub-Committee as per Section 3 of the report; and
- ii. that the effective date for the three changes to the scheme and the renaming of the scheme and Sub-Committee was 1 June 2015.

24. Flexible Retirement Policy Poileasaidh Cluaineis Shùbailte

There had been circulated Report No. RES/51/15 dated 15 May 2015 by the Depute Chief Executive/Director of Corporate Development which proposed an amendment to the Flexible Retirement Policy to include a requirement for employees to commit to a retirement date when applying for flexible retirement.

The Committee **AGREED** that:-

- i. the Flexible Retirement policy be revised to include the provision that when flexible retirement was requested, the employee must specify a leaving date, which would then be the period of notice to be worked;
- ii. employees could give up to three years notice as this provided flexibility for employees approaching retirement, assisted with Service's workforce planning, and reduced the legal risks to the Council; and
- iii. this was reviewed over the next two years to check for any impact on Services' workforce planning and this review period be included in the policy.

25. Health and Safety Management System Update Ath-sgrùdadh de Shìostam Rianachd Slàinte is Sàbhailteachd

There is circulated Report No RES/52/15 dated 13 May 2015 by the Depute Chief Executive/Director of Corporate Development which presented an update to the Council's health and safety management system, namely the annual review of the Corporate Health, Safety and Wellbeing Policy, and the updated Radon Policy. It also introduced a proposed timetable for the ongoing review of the health and safety management system.

In discussion Members, welcomed the lessons learned and wider improvements undertaken following the receipt of the Improvement Notices in regard to the management of hand arm vibration work.

The Committee **APPROVED** the:-

- i. revised Corporate Health Safety and Wellbeing Policy and the Policy on Managing Radon in the Workplace; and
- ii. proposed timetable for review of the health and safety management system.

**CHIEF EXECUTIVE'S OFFICE
OIFIS AN ÀRD-OIFIGEIR**

26. European Social Fund Priority 2 – Promoting Social Inclusion, Combating Poverty and any Discrimination

Prìomhachas 2 Maoin Shòisealta na h-Eòrpa – A' brosnachadh in-ghabhail sòisealta, a' cur aghaidh ri bochdainn agus leth-bhreith sam bith

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

There had been circulated Report No RES/53/15 dated 18 May 2015 by the Head of Policy and Reform which provided Members with the background to the European Structural Fund (ESF) stream on promoting social inclusion, combating poverty and any discrimination. It outlined the proposed approach for developing the Strategic Intervention Application for this funding stream by 1 July 2015.

During discussion, Members raised the following points:-

- concern that the rules around the use of the Fund precluded its use to tackle some of the fundamental issues it was designed to address, with specific reference being made to the fact that it could not be used to mitigate against national Government policy, and therefore it would not include any project with the explicit aim of addressing welfare reform; and
- that an indication be provided on the rationale behind the decision that Highlands and Islands Enterprise would lead on the Priority 2 Axis strand to 'increase capacity and innovation within the third sector' given the extent of the work currently being progressed by the Council in this area and the fact it was the lead agency for the other strands of this part of the Fund.

The Committee **NOTED**:-

- i. the details currently known about the ESF stream on promoting social inclusion, combating poverty and any discrimination;
- ii. that the Strategic Intervention Application was currently under development, with a target submission date of the 1 July 2015;

- iii. the Application would be developed through a partnership approach to ensure that existing good work was further developed and resources targeted effectively, with the Application co-ordinated in the Chief Executive's Office with projects led through relevant services; and
- iv. that the Welfare Fund was considered as potential match funding as and where appropriate.

The Committee also **AGREED**:-

- i. the approach outlined to developing the Strategic Intervention; and
- ii. that the final Strategic Intervention was considered by the Council's Welfare Reform Working group, with final approval delegated to the Head of Policy and Reform in consultation with the Chair and Vice Chair of Resources.

DEVELOPMENT AND INFRASTRUCTURE LEASACHADH AGUS BUN-STRUCTAR

27. Scottish Local Authority Business Loan Fund Maoin lasaid na h-Alba

Declaration of Interest – Mr D Fallows, Mr B Fernie, Mr B Lobban, Mr T MacLennan and Mr T Prag declared a non-financial interest in this item as Directors of Highland Opportunity Ltd, 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 had been circulated Report No RES/54/15 dated 14 May 2015 by the Director of Development and Infrastructure which outlined the proposal for a Scottish local authority's pan-Scotland Business Loan Fund. The Council had an opportunity to invest in the fund and to secure match ERDF and Bank funding for the benefit of Highland businesses.

During discussion, Members raised the following issues:-

- the proposal and the significant additional investment it would bring into the Highlands be welcomed;
- there was a need for an overarching review to be undertaken to better promote and market the availability of loan funding for small and medium-sized businesses in the Highlands;
- a query in regard to the frequency that HOL's marketing plan was reviewed and audited to ensure best value to ensure the organisation was marketing itself appropriately; the Chair suggested that a response to this point be provided to Mr K Gowans outwith the meeting;
- that clarity be provided in regard to the proportion of the Council's proposed allocation of £337,500 to the Loan Fund that would be allocated for administration costs and whether the cost of HOL assessing/determining applications had been included within the proposed allocation; and
- that to ensure scrutiny and good governance there was need to regularly review and monitor the costs in relation to the Fund; in this regard the Chair suggested that a progress report be brought back to the Committee at the earliest opportunity.

The Committee:-

- i. **AGREED** to become a Member of the Scottish Local Authority Loans Fund (Business Loans Scotland Limited);
- ii. **APPROVED** a contribution of £337,500 to the Scottish Local Authority Loans Fund (Business Loans Scotland Limited);
- iii. **AGREED** that a progress report be brought back to the Committee at the earliest opportunity.

28. Lochaber Area Asset Management Plan Plana Rianachd So-mhaoin Sgìre Loch Abar

There had been circulated Report No RES/55/15 dated 8 May 2015 by the Director of Development and Infrastructure which presented an overview of Corporate Property Asset Management and the development of Area Asset Management Plans. It highlighted the findings and actions in the draft Lochaber Area Asset Management Plan and provided a progress update against the Plan actions.

In discussion Members welcomed the development of the Plan and the opportunities it would bring for the Council to work collaboratively with services and partners to deliver practical and innovative solutions in the Lochaber Area.

The Committee **AGREED** the Lochaber Area Asset Management Plan as a Council plan.

MINUTES OF MEETINGS GEÀRR-CHUNNTAS CHOINNEAMHAN

29. Minutes of Meetings Geàrr-chunntasan Choinneamhan

The Committee:-

- i. **APPROVED** the Minutes of the Welfare Reform Working Group held on 27 April 2015;
- ii. **NOTED** the Minutes of the Early Retirement Sub-Committee held on 29 April 2015;
- iii. **NOTED** the Minutes of the Appeals Committee held on 12 May, 2015;
- iv. **APPROVED** the Minutes Central Safety Committee held on 15 May 2015; and
- v. **APPROVED** the Minutes of The Highland Council Staff Partnership Forum – Elected Members/Staff Side Group held on 15 May 2015.

30. Exclusion of the Public Às-dùnadh a' Phobail

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

31. ICT Executive Board: Minutes of Meeting
Bòrd-gnìomha TFC: Geàrr-chunntas Coinneimh

The Minutes of Meeting of the ICT Executive Board (Members) held on 14 April and 11 May 2015 were circulated to Members only and **APPROVED**.

CORPORATE DEVELOPMENT SERVICE
SEIRBHEIS AN LEASACHAIDH CHORPORRA

32. ICT Reprovision Programme Progress Report
Dòigh-obrach Sholarachaidh a thaobh Ath-sholarachadh TFC

There had been circulated to Members only Report No. RES/56/15 dated 6 May 2015 by the Depute Chief Executive/Director of Corporate Development which provided Members with a Progress Report for the ICT Reprovision Programme and sought approval of the Procurement Approach, Competition Stage Plan and Evaluation Criteria.

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

DEVELOPMENT AND INFRASTRUCTURE
LEASACHADH AGUS BUN-STRUCTAR

33. Land and Property
Talamh agus Cuid-seilbh

There had been circulated to Members only Report No. RES/57/15 dated 15 May 2015 by the Depute Chief Executive/Director of Corporate Development in respect of a number of land and property transactions.

Arising from the Report it was proposed that the lease agreement with the Kinlochberrie Community Company Limited be for a period of 20 years, this being the maximum lease for residential properties.

The Committee **AGREED** the recommendations as set out in the report on the basis that the lease agreement with the Kinlochberrie Community Company Limited extend for a period of 20 years.

The meeting ended at 3.45 pm.