

The Highland Council Resources Committee

Minutes of Meeting of the Resources Committee held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on Wednesday 26 August 2015 at 10.30 am.

Present:

Mr B Fernie	Mrs D Mackay
Mr A Mackinnon	Mr D Mackay
Dr D Alston	Mr T Maclennan
Miss J Campbell	Mrs I McCallum
Mrs H Carmichael	Mr D Millar
Dr I Cockburn	Mr F Parr
Mrs M Davidson	Mr G Rimell (substitute)
Mr D Fallows	Ms M Smith
Mr B Gormley	Mrs K Stephen
Mr R Laird	Mr B Thompson
Mr B Lobban	

Non Members also Present:

Mrs I Campbell	Ms L Munro
Mr B Clark	Mr B Murphy
Ms J Douglas	Mrs M Paterson
Mr J Ford	Mr T Prag
Mr K Gowans	Dr A Sinclair
Mr D Kerr	Mr J Stone
Mr G Mackenzie	

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
Mr A Gould, Head of Procurement, Finance Service
Mr F MacDonald, Acting Head of Property, Development & Infrastructure Service
Mr D Goldie, Head of Housing, Community Service
Mr J Batchelor, Head of People & Performance, Corporate Development Service
Mrs S McKandie, Exchequer Manager (Policy & Development), Finance Service
Mr B Murison, Income and Recovery Manager, Finance Service
Ms F Wood, Finance Manager, Finance Service
Ms Yvonne Henderson, Operations Manager, Finance Service
Ms J Scotson, Business Change Manager, Corporate Development
Mrs K Lackie, Business Manager, Chief Executive's Office
Mr M Bailey, Project Manager, Corporate Development
Ms T Page, Customer Services Manager, Corporate Development
Ms M Grant, Customer Service Delivery Manager, Corporate Development
Mr F McGunnigle, Property Manager (Asset Management), Development & Infrastructure Service
Mr J Robertson, Corporate Improvement Programme Manager, Corporate Development Service

Mr M MacDonald, Human Resources Manager, Corporate Development Service
Mr G Bull, Corporate Property Asset Manager, Development & Infrastructure Service
Mr C Anderson, Property Manager (Operational Estate Management), Development & Infrastructure Service
Mr E Boyd, Principal Engineer (Energy and Engineering), Development & Infrastructure Service
Mr R Wheeler, Rating Officer, Finance 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.

Mr B Fernie in the Chair Business

1. Apologies for Absence Leisgeulan

Apologies for absence were intimated on behalf of Mr A Christie and Mr J McGillivray.

2. Declarations of Interest Foillseachaidhean Com-pàirt

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

Item 21:Non-Financial: Mrs D MacKay

Item 20:Non-Financial: Ms J Douglas

Item 25: Financial: Mr G Rimell; Mr A Baxter; Mrs M Smith

3. Good News Stories Deagh Naidheachdan

The Committee **NOTED** that Yvonne Henderson, Revenues and Business Support Operations Manager based at HQ, had recently completed the MSc in Leadership and Management from the University of Highland and Islands. Her graduation ceremony was to be held on 24 September 2015 and Yvonne was congratulated on her success.

4. Recess Powers Cumhachdan Fosaidh

The Committee **NOTED** that recess powers were exercised as follows:-

- i. by the Depute Chief Executive/Director of Corporate Development in consultation with the Community Challenge Fund Applications Panel Members to award £2,000 to meet the cost of HISEZ to work with the Viewfield Garden Collective to develop their Business Plan; and

- ii. in consultation with the Chair of the Resources Committee to use the capital budget allowance for carbon reduction projects to accelerate the programme of heating upgrades across Council properties to phase out oil and inefficient electric heating in favour of lower cost, revenue gathering and more sustainable alternatives. As these projects were based at schools the opportune time to conduct the works was over the holidays. The total cost of the projects was £262,500 with an average payback period of just over two and a half years.

In discussion, clarification was sought on why the use of the capital budget allowance for carbon reduction projects could not have been brought to Committee earlier particularly in view of the need for scheduling of these works and as this was a significant amount of expenditure to be authorised under recess powers. Members requested that the timeline for decision making on this project be provided.

In terms of the Community Challenge Fund Applications Panel, given the recent changes in the Administration of the Council, it was noted that the membership of this Panel no longer reflected the new political balance of the Council and a request was made for this to be reviewed.

Thereafter, the Committee **AGREED** that the:-

- i. timeline of the decision-making/use of recess powers in respect of the use of the capital budget allowance for carbon reduction projects be provided for Members; and
- ii. membership of the Community Challenge Fund Applications Panel be reviewed as it no longer reflected the current political balance of the Council.

**5. Appointments to Sub-Committees, Working Groups etc.
Cur an Dreuchd gu Fo-Chomataidhean, Buidhnean-obrach is eile**

The Committee **APPROVED** the memberships in respect of Appointments to Sub-Committees, Working Groups etc., as follows:-

Appeals Committee

1. Chair of Resources Committee
2. Vice Chair of Resources Committee
3. Chair of Service Committee
4. Vice of Service Committee
5. David Alston
6. Bill Lobban
7. Fraser Parr
8. Gregor Rimell
9. Maxine Smith

Employment Release Sub-Committee

1. Chair of Resources Committee
2. Vice Chair of Resources Committee
3. Chair of Service Committee
4. Vice Chair of Service Committee

5. David Alston
6. Fraser Parr
7. Maxine Smith

Head of Service Recruitment Panel

1. Chair of Resources Committee
2. Vice Chair of Resources Committee
3. Chair of Service Committee
4. Vice Chair of Service Committee
5. David Alston
6. Fraser Parr
7. Maxine Smith

ICT Executive Board (Members)

1. Bill Fernie
2. Alister Mackinnon
3. David Alston
4. Margaret Davidson
5. Dave Fallows
6. Jimmy Gray
7. Isobel McCallum
8. Maxine Smith
9. Kate Stephen

Highland Council Partnership Forum (Staff Side/Elected Member Group)

1. Leader of the Council (Chair)
2. Depute Leader of the Council
3. Chair of Community Services Committee
4. Chair of Education, Children and Adult Services Committee
5. Chair of Planning, Development and Infrastructure Committee
6. Chair of Resources Committee
7. Leader of the Opposition

Staff Side Group:

8. John Gibson, Unison
9. Ms L MacKay, Unison
10. Mr M Haymer (GMB)
11. Mr R Selkirk (GMB)
12. Mr M Murphy (UCATT)
13. Mr A Wemyss (UNITE)
14. Ms M Macrae (RCN)

Central Safety Committee

1. Chair of Resources
2. Vice Chair of Resources
3. Fraser Parr (Vice Chair of CSC)
4. David Alston
5. Maxine Smith
6. Alistair Wemyss, Unite
7. Mr M Hayes, Unison (Chair of CSC)
8. Mr D Griffiths, GMB
9. Mr C Cameron, UCATT

10. BDA/CSP/RCN – 1 representative to be confirmed on a rolling basis

Non Domestic Rates Appeals Committee

1. Chair of Resources
2. Vice Chair of Resources
3. Jimmy Gray
4. Janet Campbell
5. Jim McGillivray

Welfare Reform Working Group

1. Leader of the Council
2. Chair of Resources Committee
3. Chair of Planning, Development and Infrastructure Committee
4. Chair of Education, Children and Adult Services Committee
5. One Labour Member - Mrs D Mackay, Depute Labour Leader
6. Leader of the Opposition
7. One additional Opposition Member - Alasdair Christie

Fairtrade Steering Group

1. Hamish Wood
2. Janet Campbell
3. Roger Saxon
4. Jean Slater
5. Drew Millar
6. Broadford Fairtrade Group
7. Inverness Fairtrade Group
8. Isle of Skye Fairtrade Group
9. Ullapool Fairtrade Group
10. Co-op
11. Inverness Chamber of Commerce
12. Church of Scotland

Digital Champions

1. Maxine Smith

CORPORATE DEVELOPMENT SERVICE SEIRBHEIS AN LEASACHAIDH CHORPORRA

6. **Corporate Development Final 2014/15 Outturn and 2015/16 Revenue Expenditure Monitoring to June 2015**
Sgrùdadh Teachd-a-steach Seirbheis an Leasachaidh Chorporra gu Ògmhios 2015

There had been circulated Report No RES/58/15 dated 17 August 2015 by the Depute Chief Executive/Director of Corporate Development which commented on the final outturn position for the Corporate Development Service revenue budget for 2014/15 and provided information on the revenue monitoring position for the Service for the period 1 April 2015 to 30 June 2015.

During discussion, concern was expressed at the savings identified in respect of Democratic Services through vacancy management, given that it was likely that the workload of this service would increase particularly in view of the

proposals in the forthcoming report to Council on Strengthening Local Democracy. It was therefore recommended that it would be more prudent to wait and determine the new operational demands and the impact on this Service prior to finalising vacancy savings. It was confirmed that the operational business requirements of Democratic Services would be closely monitored and could be adjusted if required.

The Committee **APPROVED** the final outturn for the Corporate Development Service revenue budget for 2014/15 and the revenue monitoring report for the period 1 April 2015 to 31 June 2015.

7. Corporate Development Service Final Outturn Report 2014/15 and Capital Budget Monitoring Report to 30 June 2015
Sgrùdadh Calpa Seirbheis an Leasachaidh Chorporra gu 30 Ògmhios 2015

There had been circulated Report No RES/59/15 dated 17 August 2015 by the Depute Chief Executive/Director of Corporate Development which set out the final outturn position for the Corporate Development Service's Capital budget for the period 1 April 2014 to 31 March 2015 and the position for the Corporate Development Service's 2015/16 capital budget for the period to 30 June 2015.

In relation to the Service Point improvements it was queried if the proposed works would come before this Committee and whether the budget for this work was sufficient or if more funding would be required. Members were advised that this budget was being held until after the conclusion of the Customer Services review. It was anticipated the budget would be sufficient for the improvements to be made to Service Points but if this was not the case then this would be reported to Committee.

In relation to the new ICT Re-provision it was confirmed that Members would have the option under the new service to be provided with or to use their own mobile devices.

The Committee **APPROVED** the final outturn position for the Corporate Development Service's capital budget for the period 1 April 2014 to 31 March 2015 and the capital monitoring position for the period 1 April 2015 to 30 June 2015.

8. Employee Survey 2015
Suirbhidh Luchd-obrach 2015

There had been circulated Report No RES/60/15 dated 7 August 2015 by the Depute Chief Executive/Director of Corporate Development which provided a brief summary of the results of Highland Council's 7th Employee Survey and outlined the proposals for reporting the results and addressing areas for further improvement.

During discussion, Members raised the following issues:-

- that while the results of the survey were generally positive it was important to investigate the factors that were contributing to levels of stress/depression/debility experienced by staff within the organisation so

that solutions could be developed, particularly given that stress could lead to long term staff absence;

- in regard to the above it was suggested that the link between the use of vacancy management to achieve efficiency savings and the levels of stress being experienced by staff due to increased workloads be explored further;
- noting that 38% of staff had concerns about the level of bureaucracy in their jobs it was therefore important to focus on removing unnecessary work and waste from the system;
- the results of the survey demonstrated that the Council could do better at supporting staff through the process of change and it was suggested that good leadership and communication with staff by managers was a key issue in achieving the culture of change required across the organisation;
- it was important that the report back to the Committee on 25 November 2015, reflected in more detail on the causes underlying the results from the Survey, and that it should also contain a section on the issues around self-referrals to allow Members to consider the pros and cons and make an informed decision on the matter; and
- that as the Council was required to reduce or remove services going forward to achieve budget savings it was likely that staff would experience more incidents of aggression from members of the public and it was important that public expectations were carefully managed through this process, for example through the media by the Council's Corporate Communications team.

The Committee **NOTED**:-

- i. the results of the 2015 Employee Survey;
- ii. the plans for reporting the results; and
- iii. that a response to the results, addressing the areas for further improvement including the points raised by Members at the meeting, would be reported to Resources Committee on 25 November 2015 and to specific service committees early in 2016.

9. Corporate Development Quarterly Statutory Performance Indicators Comharran Coileanaidh Reachdail Ràitheil an Leasachaidh Chorpóra

There had been circulated Report No. RES/61/15 dated 8 August 2015 by the Depute Chief Executive/Director of Corporate Development which provided the quarterly Statutory Performance Indicators for quarter 1 of 2015/16 and the annual Statutory Performance Indicators for 2014/15.

During discussion, Members raised the following issues:-

- that it would be helpful for Members to receive further information in the next quarterly performance report on the reasons for the difference in the absence rates shown for teaching and non-teaching staff, and also in regard to the numbers of long term staff absences in comparison to short term absences;
- that the increase in percentage of women in the top 2% and 5% of earners in 2014/15 compared to the previous year be welcomed;

- that a further report be brought back on the work ongoing within the Council and through the Community Planning Partnership to continue to support the closing of the gender pay gap in Highland, observing that a recent report had showed that the gender pay gap across all sectors in Scotland was widening; and
- reference was made to the fact that the overall trend in terms of annual sickness absences over the period 2010 to 2015 was downwards and it was noted that a reduction over all areas of absence had been observed over that period.

The Committee **NOTED** the progress in relation to the Statutory Performance Indicators and **AGREED**:-

- to investigate the potential for further information to be provided in the next quarterly performance report on the difference between the absence rates shown for teaching and non-teaching staff, and the numbers of long term staff absences in comparison to short term absences; and
- that a report be submitted to the Committee on the work ongoing within the Council and in partnership to continue to support the closing of the gender pay gap in Highland.

10. Digital First Digital First

(a) Digital First Programme – Digital Inclusion Prògram Digital First – Com-pàirteachas Didseatach

There had been circulated Report No RES/62/15 dated 17 August 2015 by the Depute Chief Executive/Director of Corporate Development which provided an update on the work currently underway on Digital Inclusion and informed Members of the proposal to join the national campaign on Digital Inclusion by signing the Scottish Council for Voluntary Organisation's (SCVO) Digital Participation Charter.

During discussion, Members raised the following points:-

- issues around how the Digital Inclusion project would be monitored and evaluated to ensure that the partnership approach was having a positive impact in terms of customers being more confident in accessing services digitally across the public sector; and
- that it would be helpful for Members to receive a written briefing from the SCVO providing more information on the Digital Participation project, its impacts locally and progress to date.

The Committee **NOTED** and welcomed the initiation of the Digital Resilience project and ongoing work with Citizens Online and **AGREED** that:-

- Highland Council sign the Digital Participation Charter; and

- ii. the Scottish Council for Voluntary Organisations (SCVO) be asked to provide a written briefing for Members on the Digital Participation project.

(b) Policy for the Use of Customer Email Addresses
Poileasaidh airson Cleachdadh Seòlaidhean Post-d Luchd-ceannaich

There had been circulated Report No RES/63/15 dated 17 August 2015 by the Depute Chief Executive/Director of Corporate Development which proposed a policy for the Use of Customer Email Addresses, supporting the collection and use of email addresses in line with data protection legislation.

During discussion, Members raised the following issues:-

- it was important that the ability for customers to opt out at any stage from receiving Council emails was made clear to them and was the default position;
- the option for members of the public at any stage to choose the type of emails they received from the Council;
- further information was sought on what a promotional email would entail and the proposed frequency of such emails to customers;
- that it would be inappropriate for the Council to seek to generate revenue by selling customer emails addresses to other organisations/companies; it was confirmed that in accordance with the relevant legislation the Council would not sell any email addresses to external organisations and that they would be used for Council communications only;
- the view was expressed that while having the ability to opt out, the public should be encouraged to opt in to receiving emails and that this be the default option on the basis this would enable the Council to deliver better and more efficient services and reduce staff workloads; and
- it was suggested that the policy should be agreed for a period of one year to allow it to be monitored and reviewed prior to a decision being taken at the end of that period as to whether it be implemented as a permanent policy.

The Committee **APPROVED** the policy for the Use of Customer Email Addresses for a period of one year to allow the policy to be monitored and thereafter to consider further whether a permanent policy be implemented.

11. Managing Smoking at Work
A' Cumail Rian air Smocadh aig an Obair

There had been circulated Report No RES/64/15 dated 7 August 2015 by the Depute Chief Executive/Director of Corporate Development which proposed updates to the Council's policy on Managing Smoking at Work to bring it into line with the recommendations in the Scottish Government's 2013 Tobacco Strategy.

During discussion, Members raised the following issues:-

- as a general point that the Scottish Government's strategy to target smoking cessation at the poorest communities be welcomed and in this regard it was important to make a clear link between the Council's policy on smoking and its emerging anti-poverty strategy; and
- it was important that staff received appropriate help and advice to stop smoking and in this regard it was suggested that a buddying system be considered to provide additional support to staff; the Head of People and Performance confirmed that this would be given further consideration, noting that the main emphasis of the policy was on supporting staff.

The Committee:-

- i. **APPROVED** the changes in the Managing Smoking at Work policy as set out in Sections 3 and 4 of the report; and
- ii. **AGREED** an implementation date of 1 October 2015 for the changes.

**12. Internal Audit Report – Workforce Planning Arrangements
Aithisg In-sgrùdaidh – Ullachaidhean Dealbhadh Obrach**

There had been circulated Report No RES/65/15 dated 7 August 2015 by the Depute Chief Executive/Director of Corporate Development which provided an update on the outcome of the Internal Audit report into the Council's Workforce Planning Arrangements which was reported to Audit and Scrutiny Committee on 18 June 2015.

In discussion it was suggested that it would be helpful in future if reports on Internal Audit reviews included the Audit recommendations and the Service's response.

The Committee:-

- i. **NOTED** the report, and
- ii. **AGREED** that future reports to Committees on Internal Audit reviews should include details of the Audit recommendations and the Service's response.

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

**13. Chief Executive's Office and Members Final Outturn 2014/15 and Revenue Expenditure Monitoring 2015/16
Sgrùdadh Teachd-a-steach Oifis an Àrd-Oifigeir agus nam Ball 2015/16**

There had been circulated Report No RES/66/15 dated 17 August 2015 by the Chief Executive which commented on the final outturn position for the Chief Executive's Office revenue budget for 2014/15 and provided information on the revenue monitoring position for the Chief Executive's Office for the period 1 April 2015 to 30 June 2015.

In relation to the overspend shown on the Public Relations budget discussion followed on the design and other work undertaken by the Corporate Communications team. It was confirmed that this budget was income led and that work was ongoing to ensure the budget was on target at the end of the financial year.

The Committee **APPROVED** the final outturn for the Chief Executive's Office revenue budget for 2014/15 and the revenue monitoring report for the period 1 April 2015 to 30 June 2015.

14. Chief Executive's Office Final Outturn Report for 2014/15 and Capital Budget Monitoring to 30 June 2015
Sgrùdadh Calpa Oifis an Àrd-Oifigeir agus nam Ball gu 30 Ògmhios 2015

There had been circulated Report No RES/67/15 dated 17 August 2015 by the Chief Executive which set out the final outturn position for the Chief Executive's Office Capital budget for the period 1 April 2014 to 31 March 2015 and the position for the Chief Executive's Office 2015/16 capital budget for the period to 30 June 2015.

The Committee **APPROVED** the final outturn position for the Chief Executive's Office capital budget for the period 1 April 2014 to 31 March 2015 and the capital monitoring position for the period 1 April 2015 to 30 June 2015.

FINANCE SERVICE
SEIRBHEIS AN IONMHAIS

15. Finance Service – Final Outturn and Revenue Monitoring to 30 June 2015
Toradh Deireannach Sgrùdadh Teachd-a-steach Seirbheis an Ionmhais 2014/15 agus Sgrùdadh gu 30 Ògmhios 2015

There had been circulated Report No RES/68/15 dated 14 August 2015 by the Director of Finance which commented on the final outturn for the Revenue Budget for the year to 31 March 2015 and the Revenue Monitoring position for the period to 30 June 2015.

The Committee:-

- i. **APPROVED** the Finance Budget outturn position for 2014/15; and
- ii. **AGREED** the monitoring report to 30 June 2015.

16. Revenue and Savings Monitoring Report to 30 June 2015
Aithisg Sgrùdaidh Teachd-a-steach agus Sàbhalaidhean gu 30 Ògmhios 2015

(a) Corporate Revenue Monitoring to 30 June 2015
Aithisg Sgrùdaidh Teachd-a-steach Corporra gu 30 Ògmhios 2015

There had been circulated Report No RES/69/15 dated 17 August 2015 by the Director of Finance which presented the financial position of the revenue budgets of the General Fund and Housing Revenue Account

(HRA) for the period from 1 April to 30 June 2015 and the estimated position for the 2015/16 financial year.

During discussion, Members raised the following points:-

- it was noted that recent Government announcements of further increases to the Living Wage and ongoing pay negotiations would create pressures and this would be quantified and reflected in future reports;
- that at the Council meeting on 11 June 2015 the Administration had given a specific commitment that they would be discussing with Group Leaders how to involve them in the budget process; it was queried whether an approach had been made to any of the Group Leaders and in the absence of a report on the budget to the Committee or to the next Council meeting on 3 September 2015, explanation was sought as to why there had been no opportunity to date for political scrutiny of the development of the budget process; and
- in response to the above, the Chair advised that the budget process had been delayed this year due to delays in key statements by the Chancellor of Exchequer; however meetings had been set up with all of the Directors and following those discussions arrangements would be made to meet with Group Leaders to discuss options to involve Members across the Groups in the budget process.

The Committee **APPROVED** the financial position of the General Fund and HRA revenue budgets at 30 June 2015 and **NOTED** the:-

- i. estimated year end net underspend of £0.934m; and
- ii. risk of pressures materialising throughout the year which might change the estimated year end position.

(b) Service Savings for 2015/16 – Quarter 1 Progress Report
Sàbhalaidhean Seirbheis airson 2015/16–Aithisg Adhartais Cairteil 1

There had been circulated Report No RES/70/15 dated 12 August 2015 by the Director of Finance which provided an overview of progress made by Services on agreed savings proposals for 2015/16.

During discussion, Members raised the following issues:-

- concern that a number of the agreed budget savings for 2015/16 were now not considered as being deliverable and at the reliance on vacancy management as an alternative solution to achieve savings in the short term;
- it was important that a comment/explanation be included against individual projects as to why the agreed saving could not be delivered;
- a query in regard to the savings proposal to introduce a standard timetabling structure across Highland secondary schools, based on 33 periods and specifically why this was not being pursued given

that this was the most efficient model for using teachers full amount of contractual teaching time;

- concern that the Scottish Government's policy to maintain teacher numbers had not been fully funded to offset the financial implications for the Council and that this had resulted in a significant gap in the budget and that the policy had also led to disparities in teacher workloads;
- it was important that all Members worked to ensure that the agreed savings on the Members budget was delivered;
- it was noted that the Audit and Scrutiny Committee had asked the Head of Audit and Risk Management to undertake a body of work around how robust the budget assumptions and proposed savings were prior to being brought to Members for consideration;
- that an update be provided in regard to whether the increase in car parking charges would deliver the anticipated income targets, noting that targets had not been achieved over the past three years despite annual increases in charges;
- that in regard to the above there was a need to review across a variety of income lines whether the income generation targets which had been budgeted for were achievable, particularly where they had not been met in previous years;
- that at this stage of the financial year it was not acceptable that some of the agreed savings for 2015/16 such as the renegotiating of PPP school contracts, were being considered as not being deliverable and that this should be challenged and re-visited by officers;
- a point that Members had been advised at the outset that the PPP negotiations could be difficult and there was uncertainty as to whether this would deliver savings; and
- the opportunities for the Council to investigate the potential for a joint procurement exercise with other local authorities for banking services.

During further discussion, the Chair advised that Members concerns in regard to savings and income generation would be discussed and raised by the Administration's Budget Team with Directors. In his response to Members, the Director of Finance reported that he would also report back to the Executive Leadership Team on the points raised. He did however highlight that budgets were best estimates at the time, and a number of proposals had required further development.

The Committee **NOTED** the progress made by Services towards their savings targets and that the concerns raised by Members in relation to progress in achieving some of agreed savings targets for 2015/16 would be reported back to the Executive Leadership Team and also raised by the Administration's Budget Team with Directors.

**(c) Transformational Savings Programme
Sàbhalaidhean Cruth-atharrach**

There had been circulated Joint Report No RES/71/15 dated 17 August 2015 by the Director of Finance and Depute Chief Executive/Director of Corporate Development which explained that the Transformation Savings Programme (TSP) was progressing with a target to achieve £18m in efficiency savings for the period 2015/16 - 2018/19, as agreed by Council in December 2014.

During discussion, Members raised the following points:-

- that clarification be provided in regard to the ragging status shown for WCG1/3: Supporting Community Organisations to provide public services and the officers leading on and promoting this project in communities;
- that clarification also be provided in regard to the ragging status shown for WPP1-TC1:Rationalisation of Leisure Management given that a report on this subject for initial consideration was being presented to the Education, Children and Adult Services Committee meeting being held on 27 August 2015;
- discussion around how to overcome the challenges associated with delivering shared services and particularly where there was a lack of willingness on the part of other organisations to enter into shared arrangements; suggestions to address these challenges included lobbying the Scottish Government to require public sector organisations to undertake more work in partnership and for there to be a lead officer dedicated within the Council to promote/take this forward with other organisations;
- a point in regard to whether local authorities in Scotland and public sector organisations in the Highlands organisations had been approached with a view to sharing services;
- it was suggested that the level of reporting on this item was not sufficient to allow Members to properly exercise their scrutiny role; in addition some of the projects and associated projected savings required to be reviewed for example in the context of the enactment Community Empowerment (Scotland) Bill;
- concern that the ragging system used in the report was confusing and did not adequately reflect the changes through the life of a project; and
- in view of the above there was a need to undertake improvements to the presentation of the regular progress reports to the Committee and also consider the opportunities for more Member involvement in some of the projects. However, in contrast it was also felt that it was important that Members continued to receive the judgement and advice of officers in regard to the ragging status attached to projects to allow Members to scrutinise any changes to the Programme going forward.

The Committee:-

- i. **NOTED** progress with the delivery of the Transformational Savings Programme and the actions being taken to ensure savings were delivered; and
- ii. **AGREED** that improvements be undertaken to the presentation of the report, taking account of Members comments.

17. Corporate Capital Monitoring to 30 June 2015
Aithisg Sgrùdaidh a' Chalpa Chorpóra gu 30 Ògmhios 2015

There had been circulated Report No RES/72/15 dated 17 August 2015 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 to 30 June 2015 and the estimated position for the 2015/16 financial year.

The Committee **NOTED** the financial position of the General Fund and HRA Capital Programmes as at 30 June 2015.

18. Treasury Management
Rianachd Ionmhais

(a) Treasury Management Summary of Transactions
Geàrr-chunntas Ghnothaichean Rianachd Ionmhais

There had been circulated Report No RES/73/15 dated 14 August 2015 by the Director of Finance which provided details on the Treasury Management transactions undertaken within the period which was submitted to the Committee in compliance with CIPFA's Code of Practice on Treasury Management and the Council's approved Financial Regulations.

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

(b) Annual Treasury Management Report 2014/15
Aithisg Bhliadhnail an Ionmhais 2014/15

There had been circulated Report No RES/74/15 dated 17 August 2015 by the Director of Finance which presented the Annual Treasury Management Report for 2014/15 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 13 March 2014.

The Committee **NOTED** the report and **AGREED** that the Annual Treasury Report 2014/15 be submitted to the Council for approval.

**19. Banking and Related Financial Transactions – Authorised Signatories
Gnothachasan Ionmhasail Bancaireachd is a' Buntainn ri Bancaireachd –
Luchd-soidhnigidh Ùghdarraichte**

There had been circulated Report No RES/75/15 dated 13 August 2015 by the Director of Finance which addressed the matter of Officers appointed to authorise banking and related financial transactions on behalf of the Council.

The Committee **APPROVED** the following Officers as authorised signatories for banking and related financial transactions:-

- Derek Yule – Director of Finance
- David Robertson – Head of Corporate Finance
- Nigel Rose – Head of Audit and Risk Management
- Allan Gunn – Head of Revenues and Business Support
- Ashley Gould – Head of Procurement

**20. Welfare Reform Update
Ath-leasachadh Shochairian**

Declaration of Interest - 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 her interest did not preclude her from taking part in the discussion.

There had been circulated Joint Report No RES/76/15 dated 13 August 2015 by the Director of Finance and Director of Community Services which provided comprehensive information on the current status of Universal Credit and other Welfare initiatives. It also made available financial monitoring information, covering the Council's considerable involvement in this area of work together with an early analysis of the Chancellor's 2015 summer budget. In addition the report advised of The Scottish Parliament's Welfare Reform Committee's consultation on the future delivery of social security in Scotland.

During discussion, Members raised the following points:-

- the Finance Team was commended for their excellent work in providing continuous updates on welfare reform and its impact in Highland;
- the Head of Revenues and Business Support was congratulated on being invited to give evidence to the Scottish Parliament's Welfare Reform Committee;
- the Leader of the Council had met with Mr D Mundell, Secretary of State for Scotland, and presented a briefing paper which showed in graphic detail the effect of welfare reform in Highland concluding that it potentially led to the removal of £14.37m per annum from the Highland economy and from the most vulnerable people. She proposed that the briefing paper should be shared with Members;
- the Secretary of State for Scotland agreed to discuss with the Treasury the possibility of homelessness accommodation being exempt from Universal Credit and replaced with direct payments to landlords due to the effect it was having on rent arrears;

- the DWP was processing requests to switch back to direct payments and charged for this service and any change to these arrangements in Scotland would increase costs;
- the progress in making access to school clothing grants easier was welcomed;
- the Council Tax Reduction underspend was due to the DWP changing the benefit rules and was money that previously supported households to pay their Council Tax so should therefore not be taken as a saving in the Council's revenue budget; consideration should be given to re-investing this money into the Welfare Fund or on other initiatives to support the poorest communities;
- there was doubt regarding the claim made that the DWP did not have targets for benefit sanctions;
- in relation to the significant rise in household debt, concern that the Government shifted debt on to the poorest people to reduce the national debt and this point should be raised with the Secretary of State for Scotland;
- the Welfare Reform Working Group previously met with Highland MPs and that this arrangement should continue;
- the next steps in developing an anti-poverty strategy would be for the Group Leaders to meet before the next meeting of the Welfare Reform Working Group and to give consideration to inviting external speakers;
- the introduction of the electronic payment solution PayPoint for school clothing grants was welcomed;
- there was a universal responsibility to ensure the Scottish Government's new welfare powers worked well for the country and specifically for the rural and remote communities in Highland;
- there was support for the principal of double devolution which strengthened the central role of Local Authorities by, for example, localising back to work schemes and bringing together key services that ensured that service delivery was tailored to the needs and circumstances of local communities and was responsive to local job markets;
- welfare and employment policy should be brought together with a positive vision to improve the skills of adults and young people in long term unemployment;
- further to the publication of the Funeral Guide, work should be undertaken to make Funeral Directors more aware of the financial assistance available and their role in helping vulnerable people;
- there was a need for a service that offered a funeral package that was affordable using financial assistance and provided advice on add-ons and extra costs; and
- the amount of financial assistance available was inadequate to cover the costs of a funeral and, in the lobbying being undertaken, an appeal for an increase should be made.

The Committee:-

- i. **NOTED** the local impact of the 2015 summer budget including the welfare changes and ongoing reform;

- ii. **NOTED** that Senior Officers continue to complete the response to the Scottish Parliament's Welfare Reform Committee consultation on "The Future Delivery of Social Security in Scotland" and would be approved by the Welfare Reform Working Group;
- iii. **NOTED** the introduction of PayPoint for the electronic payment of school clothing grants;
- iv. **NOTED** the management information and budgetary position provided in the appendices to the report;
- v. **AGREED** to support the anti-poverty work that was being taken forward by the Council's Welfare Reform Working Group;
- vi. **AGREED** that a copy of the Briefing provided by the Leader of the Council to the Secretary of State for Scotland be circulated to Members;
- vii. **AGREED** that the Chair discuss with the Director of Finance the possibility of investing the Council Tax Reduction underspend in the Welfare Fund or on other initiatives to support the poorest communities; and
- viii. **AGREED** to explore the availability of a funeral package to be used with financial assistance.

**21. Advice and Information Services: End of Year Monitoring
Seirbheisean Comhairle agus Fiosrachaidh: Sgrùdadh Deireadh Bliadhna**

Declaration of Interest - Mrs D MacKay declared a non-financial interest in this item as a Director of East Sutherland Citizens Advice Bureau, 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 had been circulated Report No. RES/77/15 dated 14 August 2015 by the Director of Finance which provided Members with the end of year monitoring of advice and information services in Highland for 2014/15. Advice and information services were recognised as a critical approach in alleviating poverty in the Council's Programme and Single Outcome Agreement.

The Committee **NOTED**:-

- i. the level of support provided to customers across Highland in 2014/15; the continued increase in demand for these services; and the pressures associated in delivering the intensive resource required to resolve complex cases;
- ii. the positive impact of the Mental Health Project in addressing issues presented by vulnerable clients which had current funding until end of March 2016;
- iii. the positive impact of the Reaching the Unreached service in preventing households being evicted and avoiding additional pressures on the Council's homeless services. This service had Scottish Legal Aid Board funding until end of September 2016;
- iv. the potential of the Midwifery project to support new and expectant mothers in the Highlands to maximise their incomes which had funding until end of May 2016; and
- v. the outcomes being achieved in supporting Highland residents to mitigate the effects of poverty.

At this point, the meeting was adjourned at 1.05 pm for lunch and reconvened at 1.45 pm.

**22. The ARCHIE Foundation – New Highland Children’s Unit, Raigmore Hospital – Application to Capital Discretionary Budget 2015/16
Urras ARCHIE – Aonad Ùr Chloinne na Gàidhealtachd, An Ràthaig Mhòr**

The ARCHIE Foundation (ARCHIE) was the official charity of all child health across the North of Scotland, supporting children and their families whenever they access medical care. The first £1m target of the new Children’s Unit at Raigmore (the Unit) had been fully funded including a contribution of £0.150m from the Inverness Common Good Fund.

In this regard, there had been circulated Joint Report No. RES/78/15 dated 14 August 2015 by the Director of Finance and the Inverness City Area Manager which invited Members to consider an application to the Capital Discretionary Fund of £0.050m towards the second appeal to raise a further £1m to complete the Unit.

Members emphasised the point that, in relation to paragraph 2.4 of the report, the ARCHIE Foundation New Highland Children’s Unit would support every child not just in Inverness but in the Highlands.

The Committee **AGREED** to award the project to create a new Highland Children’s Unit at Raigmore Hospital to support every child in the Highlands, as detailed within the report, the sum of £0.050m from the Capital Discretionary Fund for the year 2015/16, subject to conditions at the discretion of the Director of Finance.

**23. Finance Service – Quarterly Performance Report
Seirbheis an Ionmhais – Aithisg Dèanadais Ràitheil**

There had been circulated Report No. RES/79/15 dated 14 August 2015 by the Director of Finance which provided a summary of key and statutory performance indicators for the Finance Service as at 30 June 2015.

During discussion, Members raised the following points:-

- with regard to the payment of invoices assurance was sought that the reduction in Quarter 1 performance was a one-off and invoices would continue to be paid promptly;
- small suppliers did not realise how quickly the Council paid invoices and that dealing with the Council would improve their cash flow and therefore profitability/sustainability;
- appreciation was expressed to the Finance Service for helping Members to understand various Council Tax letters and reassure residents;
- consideration should be given to making Council Tax letters and bills more user-friendly whilst recognising the legal constraints; and
- feedback was sought on the reduced collection rate for the Business Improvement District levy in Inverness compared with the previous two years and it was explained that this was due to one single invoice of high value which had now been paid.

The Committee **NOTED** these statutory and key performance indicators and **AGREED** to consider making Council Tax letters and bills more user-friendly.

24. National Fraud Initiative (NFI)
Iomairt Nàiseanta na Foille

There had been circulated Report No RES/80/15 dated 14 August 2015 by the Director of Finance which provided information about the council's general approach to the prevention and detection of fraud and error and details performance for Audit Scotland's biennial National Fraud Initiative 2012/13 and so far, for the 2014/15 exercise.

The Committee **NOTED**:-

- i. the council's counter-fraud approach;
- ii. the NFI process and timetable for data uploads, data matches and investigations;
- iii. investigations arising from, and outcomes derived, from these initiatives; and
- iv. the estimated additional income arising from the Council Tax Single Occupancy Discount review.

25. Review of Non Domestic Rates Discretionary Relief
Ath-sgrùdadh air Poileasaidh Faohaidh Fo Ùghdarras airson Reataichean Gnothachais

Declaration of Interest – Mr G Rimell declared a financial interest in this item as a business partner who received the small business bonus scheme and left the meeting for this item.

Mr A Baxter declared a financial interest in this item as business owner and was a beneficiary of the Non Domestic Rates Discretionary Relief, and left the meeting for this item.

Mrs M Smith declared a financial interest in this item as a business owner who received the small business bonus scheme, 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 had been circulated Report No RES/81/15 dated 17 August 2015 by the Director of Finance which outlined the policy regarding discretionary relief. It also proposed a policy change with the financial impact detailed and asked Members to consider this proposal and decide if they wanted this policy change to be implemented.

Speaking in support of the policy change, it was highlighted that this was a good example of where the appeals process had highlighted an area to be reviewed which had then resulted in an improved policy.

The Committee:-

- i. **NOTED** the current NDR reliefs available to businesses;
- ii. **NOTED** the current policy on NDR discretionary reliefs;
- iii. **NOTED** the proposal to update the NDR discretionary reliefs policy in respect of non-licensed Sports Clubs to award 50% discretionary relief where certain qualifying criteria were satisfied; and
- iv. **APPROVED** an increase to the Non Domestic Rates Discretionary Relief budget to £0.701m.

**26. Procurement Policy and Strategy 2015 to 2020
Poileasaidh agus Ro-innleachd Solair 2015 gu 2020**

There had been circulated Report No RES/82/15 dated 14 August 2015 by the Director of Finance which presented the Council's high level intentions and aspirations in respect of outcomes delivered through Procurement work across the Council for the next five years. It recommended a long term strategy based on the Council's values and set out at a strategic level how Procurement would deliver those values.

During discussion, Members raised the following points:-

- the Policy and Strategy had to be developed within Scottish Government Guidelines which placed a requirement on Councils to use pre-qualification questionnaires. However, one of the biggest complaints in Highlands was about pre-qualification questionnaires and Scotland was the only country in Europe to continue using a restricted route to contract award. There was therefore a need to lobby for the removal of the requirement for pre-qualification questionnaires from the Scottish Government Guidelines;
- in relation to Section 1 of the Policy and Strategy and with contracting out winter maintenance in mind, it was queried whether the Council engaged with the National Farmers Union or other organisations that supported communities to understand the processes for accessing help, for example, tractors for snow clearing; and
- the work currently being undertaken in partnership with Orkney, Shetland, Moray, Western Isles, and Argyll and Bute Councils and other public agencies was welcomed.

The Committee **APPROVED** the Council's Procurement Policy and Strategy 2015 to 2020 and **AGREED** to lobby for the removal of the requirement for pre-qualification questionnaires from the Scottish Government Guidelines.

**27. Corporate Arrears Recovery System – Project Governance
Siostam Ath-bhuannachd Fhiachan Corporra – Riaghladh Pròiseict**

There had been circulated Report No RES/83/15 dated 17 August 2015 by the Director of Finance which highlighted a material financial loss to the Council arising from a failed ICT project, and to bring to the Committee's attention to a range of weaknesses around the project management and governance.

During discussion, Members raised the following points:-

- it was important that lessons had been learnt to avoid a repeat experience;
- thanks were expressed to the Director of Finance for his honesty in dealing with this issue and for his apology;
- it was important that this issue had been reported in public so that the Council was open and accountable;
- there had been a lack of committee reporting in this case and clear guidance needed to be issued to officers on what information should be reported to Council committees with regard to projects;
- further training for Members and staff in relation to scrutiny of projects and project management was required;
- the role of project sponsor needed to be examined to determine the skills required;
- consideration should be given to the assembly of teams to deal with company teams on joint projects;
- there were issues relating to project delivery, particularly for ICT projects;
- it was requested that the Audit and Scrutiny Committee ensure that the recommendations were delivered and the ragging procedure reviewed for projects when changes were made;
- that as part of the Audit Plan for 2015/16 other significant projects be sampled and further suggestions from Members on matters to be considered in the Audit Plan were welcomed;
- the delineation of operational matters and strategic matters in relation to Members raising concerns on various projects needed to be clarified;
- it was queried whether there were still the same benefits that were expected to be delivered when the project was initiated and if the project would be replaced. In response, it was advised that staff continue to review and utilise existing IT to deliver the same anticipated benefits; and
- more detail was sought regarding the recommendations contained in the Internal Audit report that was submitted to the Audit and Scrutiny Committee on this issue.

The Committee **NOTED**:-

- i. the details contained within the report;
- ii. the weaknesses identified and that “lessons learnt” were now being applied to all ICT projects;
- iii. that Audit and Scrutiny Committee would monitor the successful outcome of all the audit recommendations; and
- iv. that further Internal Audit work on project management was included within the current year’s Audit Plan and would be reported to Audit and Scrutiny Committee in due course.

The Committee also **AGREED** to:-

- i. arrange training for staff and Members in relation to scrutiny of projects and project management; and

- ii. circulate to Members a copy of the report that was submitted to Audit and Scrutiny Committee on this issue.

28. Grant Street Car Park – Internal Audit Investigation
Pàirc Chàraichean Sràid nan Grandach – Sgrùdadh In-Sgrùdaidh

There had been circulated Report No RES/84/15 dated 14 August 2015 by the Director of Finance which advised that the Council had not met the standard of administration expected in relation to the management of the leasehold interest at Grant Street, Inverness.

During discussion, Members raised the following points:-

- the Internal Audit team were praised for their work in conducting the review despite the difficulties in receiving information which had resulted in a prolonged procedure;
- there was cognisance of the fact that when the Council acted in its duty to Common Good Funds and caused a loss it had a responsibility to reimburse those losses;
- the audit reviews scheduled to look at rental income agreements were welcomed, the outcomes of which were important;
- another incident where officers failed to invoice the same tenant over a long period of time had been identified;
- there was a need to provide further training, guidance and legal advice for Members in relation to potential conflicts between their role as Council Members and as Trustees of the Common Good Fund;
- there was a lack of clarity relating to the usage of Common Good Funds;
- the Scottish Government was interested in reviewing the long-term management of Common Good Funds; and
- concern was expressed that this was the latest example of a series of incidents where the Council had failed in its duty regarding Common Good Funds and information was sought on the measures undertaken to prevent similar examples occurring.

The Committee **AGREED** to payment of £18,424.22 of restitution to the Inverness Common Good Fund from Council balances.

MINUTES OF MEETINGS
GEÀRR-CHUNNTAS CHOINNEAMHAN

29. Minutes of Meetings
Geàrr-chunntasan Choinneamhan

The Committee:-

- i. **NOTED** the Minutes of the Early Retirement Sub-Committee held on 28 May 2015;
- ii. **APPROVED** the Minutes of Fairtrade Steering Group held on 19 June 2015;
- iii. **APPROVED** the Minutes of the Welfare Reform Working Group held on 29 June 2015 and **APPROVED** the funding of £8,400 from the Council's Welfare Fund (Item 7);

- iv. **NOTED** the Minutes of Employment Release Sub-Committee held on 12 August 2015;
- v. **APPROVED** the Minutes of Staff Partnership Forum (Elected Members/Staff Side Group) held on 14 August 2015; and
- vi. **APPROVED** the Minutes of Central Safety Committee held on 14 August 2015.

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

The Committee **AGREED** to resolve 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 and 9 of Part 1 of Schedule 7A of the Act.

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

The Minutes of Meeting of the ICT Executive Board (Members) held on 19 August 2015 were circulated to Members only and **APPROVED**.

**FINANCE SERVICE
SEIRBHEIS AN IONMHAIS**

**32. Debts Recommended to be Written Off
Fiachan a Thathar a' Moladh airson an Dubhadh Às**

There had been circulated to Members only Report No RES/85/15 dated 12 August 2015 by the Director of Finance which in accordance with good accounting practice, recommended the write-off of uncollectable debts.

The Committee **AGREED** that in the event that there was no additional information from Members, the total value of debts as detailed in the report be written off.

**DEVELOPMENT AND INFRASTRUCTURE
LEASACHADH AGUS BUN-STRUCTAR**

**33. Highland Council Biomass Installation Performance Report
Aithisg Dèanadais Ionad Bith-thomaid Chomhairle na Gàidhealtachd**

There had been circulated to Members only Report No RES/86/15 dated 17 August 2015 by the Director of Development and Infrastructure which provided an update on the performance of the Highland Councils biomass boiler heating programme within its public buildings and identified the arrangements that had been put in place to manage the "Biomass Heat Contract".

Following detailed discussion and a number of concerns raised by Members, the Committee **NOTED** the contents of the report and the current performance of the Biomass Heat Provision Contractor and **AGREED**:-

- i. to write to the Biomass Heat Provision Contractor requesting that any reference to the Highland Council be removed from their website;
- ii. to provide further information on the actual cost reductions achieved to date compared to the projected cost reductions when the contract was awarded;
- iii. in order to allow discussion/debate to be held in public, a report be submitted to a future meeting examining continuation of the current policy of installing Biomass heating plant; and
- iv. to defer action pending further detailed information to be reported back as a matter of urgency to either Highland Council on 3 September 2015, or if not achievable, to Education, Children and Adult Services Committee on 8 October 2015.

34. Inverness Service Point
Ath-sgrùdadh Ionad-Seirbheis Inbhir Nis

There had been circulated to Members only Report No RES/87/15 dated 4 August 2015 by the Director of Development and Infrastructure which outlined the lease position for the Inverness Service Point at 21- 23 Church Street.

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

35. Land and Property Report
Talamh agus Cuid-seilbh

There had been circulated to Members only Report No. RES/88/15 dated 7 August 2015 by the Director of Development and Infrastructure in respect of a number of land and property transactions.

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

The meeting ended at 3.50 pm.