

**The Highland Council  
No. 8 2015/2016**

Minutes of Special Meeting of the Highland Council held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on Thursday, 21 January 2016 at 10.30 am.

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

**Present:**

Dr D Alston	Mr W MacKay
Mr R Balfour	Mr G MacKenzie
Mrs J Barclay	Mr A Mackinnon
Mr A Baxter (by video-conference)	Ms A MacLean
Mr I Brown	Mr T MacLennan
Mrs C Caddick	Mr K MacLeod
Mrs I Campbell	Mrs B McAllister
Miss J Campbell	Mrs I McCallum
Mrs H Carmichael	Mr D Millar
Mr A Christie	Mr H Morrison
Mr B Clark	Ms L Munro
Mrs G Coghill	Mr B Murphy
Mr J Crawford	Mr F Parr
Dr J Davis	Mrs M Paterson
Mrs M Davidson	Mr G Phillips
Mr N Donald	Mr T Prag
Ms J Douglas	Mr M Rattray
Mr G Farlow	Mr I Renwick
Mr B Fernie	Mr M Reiss
Mr M Finlayson	Mr A Rhind
Mr C Fraser	Mr G Rimell
Mr H Fraser	Mrs F Robertson
Mr L Fraser	Mr J Rosie
Mr S Fuller	Ms G Ross
Mr J Gordon	Mr G Ross
Mr B Gormley	Mr R Saxon
Mr K Gowans	Dr A Sinclair
Mr A Graham	Mrs G Sinclair
Mr J Gray	Mrs J Slater
Mr R Greene	Ms M Smith
Mr R Laird	Ms K Stephen
Mr B Lobban	Mr J Stone
Mrs L MacDonald	Mr B Thompson (by video-conference)
Mr J McGillivray	Mrs C Wilson
Mrs D Mackay	Mr H Wood
Mr D Mackay	

**In Attendance:**

Chief Executive	Director of Care & Learning
Depute Chief Executive/Director of Corporate Development	Director of Finance
Director of Development & Infrastructure	Director of Community Services

## **Mrs I McCallum in the Chair**

Apologies for absence were intimated on behalf of Mr D Bremner, Dr I Cockburn, Mr A Duffy, Mr D Fallows, Mr J Ford, Mr M Green, Mr A Henderson, Mr D Kerr and Mr N MacDonald.

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

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

Item 6 – Mrs I Campbell, Mrs G Coghill, Mr H Fraser, Mr R Greene, Mr R Laird, Mrs D Mackay, Mr A Mackinnon, Mr T MacLennan, Mr G Phillips, Mr M Reiss, Mr A Rhind and Mrs F Robertson (all financial)

Item 7 – Ms J Douglas, Mr K Gowans, Mr F Parr (all non-financial) and Mr K Gowans (financial)

### **Additional Item - Timetable of Meetings for 2016 - Skye Committee**

The Council **AGREED** revised dates for meetings for the Skye Committee as follows – 29 February, 20 June, 3 October and 19 December.

### **3. Revenue Budget 2016/17 Buidseat Teachd-a-steach**

There had been circulated Report No. HC/1/16 dated 11 January 2016 by the Director of Finance which provided an update on the latest developments regarding the budget forecast position for 2016/17 and highlighted the scale of the budget deficit.

In this regard, it was confirmed that an updated budget forecast had been presented at the last meeting and a revised version of the Local Government Finance Circular No 7/2015 had been issued thereafter. Receipt of this Circular had allowed a more robust calculation of the budget gap in advance of setting the budget for 2016/17 although only provisional funding allocations had been provided and it was considered that these might change before the final budget Bill was presented to the Scottish Parliament in late February 2016.

The high level budget position had been detailed in the report and took account of roll forward budget pressures such as pay awards and other pressures which had been identified in budget reports considered by the Council in June and December.

The funding package from the Scottish Government represented an £18.334m reduction on 2015/16 which equated to about a 4% cut in external funding.

Proposals to close the budget gap of £37.9m would be presented to the Council by the Administration Group on 25 February 2016 and formal decisions would require to be taken at that time in order to achieve a balanced budget.

During discussion, Members raised the following issues:-

- thanks should be conveyed to the Director of Finance and his team for the considerable work which had been undertaken in regard to the budget situation and the reports which had been produced for Members;
- there was a need to also thank the Members of the Budget Team within the Administration for the work which had been undertaken and for the

- information which had been sourced from other Local Authorities;
- an invitation had been issued to the Group Leaders to meet with the Budget Team to discuss and share budget information and it was hoped that this offer would be accepted;
  - it was noted that the planning assumption was that all transformational savings would be delivered (with an update to the Resources Committee in February) and this was welcomed;
  - there was increasing central control over Council budgets by the Scottish Government and this left very little flexibility in terms of choices which could be made by individual Councils for local areas, with one particular example being the freezing of the Council Tax over a number of years;
  - it was considered that those who would be most affected by the Council Tax freeze would be those who could least afford it and this was regrettable, both in the Highlands and across the rest of Scotland;
  - in terms of the budget decisions to be taken, there was a need to protect those who were the most fragile as much as possible;
  - it had been hoped that the Budget Team within the Administration would have engaged at an earlier date with other Members across the Council in order to discuss budget proposals;
  - the aim was to produce a Highland budget with input from all Members of the Council and it was hoped that this could be achieved through discussion and with the co-operation of all Groups in advance of the Special Council meeting in February;
  - decisions should be made in the Highlands on the budget – with and by and for the Highland people and for the benefit of Highland communities;
  - it had to be recognised that cuts to Council budgets equated to cuts to communities and there was a need for assurance to be given that rural proofing based on place would be built into budget recommendations and decisions;
  - the geography of the Highlands, sparsity of population, inclement weather and extra cost of services were all factors which should be built into the Local Government Settlement and this was not happening at present;
  - an increasing number of decisions in relation to the provision of education were being made by the Scottish Government and this represented a centralisation of control which was not good for Highland people, the Highland way of life or the running of the Council;
  - the impact of the budget decisions on the day to day life of people within the Highlands was what mattered and there was therefore a need for impact statements to be produced by the Budget Team as soon as possible and circulated to the Groups within the Council for detailed consideration; and
  - there was currently a high level of uncertainty amongst third sector organisations as to the scale of the cuts to be made by the Council and the potential impact on local areas.

### **Decision**

The Council **NOTED** the updated budget position as presented.

#### **4. Budget Consultation for 2016/17 Toraidhean an Fhios-air-ais bho Cho-chomhairle leis a' Phanal Shaoranaich**

There had been circulated Report No. HC/2/16 dated 8 January 2016 by the Head of Policy and Reform which detailed the feedback from the Citizen's Panel to the Budget Consultation Survey for 2016/17.

During discussion, Members raised the following issues:-

- thanks should be conveyed to the staff for their efficiency in following up the request from Members and for the considerable amount of work undertaken in relation to the budget consultation survey;
- this was interesting and thought provoking feedback which would aid Members in consideration of budget proposals and it was heartening that the feedback had highlighted a Highland perspective of concern for others;
- there was a need to be mindful of the mixed views on Council Tax in that some people had confirmed that they would support a limited increase but others did not wish to see any increase at this time;
- a decision would be made by the Council in February as to how to close the budget gaps in line with the support for such action within the Chamber;
- there was a need to make more use of Facebook and other social media tools for public consultation wherever possible, particularly in terms of potential service changes in future;
- there was a need for all Members to give close consideration to the budget proposals coming forward and wherever possible to lessen the impact of any decisions taken in February in order to protect individuals and communities who were already concerned about what might happen in the months ahead;
- the results of the Citizen's Panel Survey, whilst being very useful, could not be considered to be representative of the views of all sections of the community and had to be viewed in conjunction with the other consultation which had been undertaken;
- reassurance could be taken from the consultation that members of the public were understanding the budget situation very well and anticipating that changes would have to be made to services;
- the Convener should write to the Cabinet Secretary to convey the results of the Budget Consultation Survey, specifically in relation to the Council Tax, and request that any penalty be removed from the Council if it decided to unfreeze the Council Tax to protect services;
- it was important that the information coming from CoSLA on the budget settlement, which was being distributed to the Group Leaders, was also circulated more widely so that all Members were fully advised as to the proposals and negotiations on all issues;
- it would be important to highlight the full implications of any increase to the Council Tax and to explain in detail what the impact would be on the budget situation as it appeared that there was still a considerable amount of misunderstanding as to what this would achieve;
- there had been a valued and measured response from the Citizen's Panel and this should be considered to be very reliable;
- it would be helpful if the Citizen's Panel could be extended in future in order to ensure that it was more representative; and
- the most difficult decisions would be faced on 25 February and as such it was imperative that all Groups within the Council and the public were aware of the proposals coming forward from the Administration in order that they could engage constructively at an early date.

### **Decision**

The Council **NOTED** the results of the Budget Consultation Survey for 2016/17 as circulated.

It was also **AGREED** that the Leader should write to the Cabinet Secretary to convey the results of the Budget Consultation Survey, specifically in relation to the Council

Tax, and to request that any penalty be removed from Highland Council if it decided to unfreeze the Council Tax to protect services.

## **5. Voluntary Redundancy Scheme – Delegation of Decisions Sgeama Sgaraidh Saor-thoileach - Buidhean Riochdachaidh**

There had been circulated Report No. HC/3/16 dated 12 January 2016 by the Chief Executive which sought approval for a change to the Scheme of Delegation to support the implementation of the Council's Voluntary Redundancy Scheme.

In this regard, it was confirmed that to date 511 applications had been received for the Voluntary Severance Scheme, with approximately 600 applications expected by the closing date of 29 January 2016. Staff had been advised that not everyone who applied would have their application approved in that cases would be prioritised based on service needs and potential savings, taking account of any service reductions which might be agreed by the Council.

The Scheme was intended to support the Council's urgent need to reduce the size and cost of its workforce in order that a balanced budget could be agreed in February for 2016/17. As such, it had to be recognised that this approach would be quick and effective as a means of reducing revenue costs but that releasing large numbers of staff in this way would clearly have significant consequences in terms of service delivery. It would also have major impacts on capacity, performance and response times and it was likely that these impacts would be felt to different degrees in different services and areas.

In this regard, approval was now sought for the delegation of the 'straightforward' decisions to the Chief Executive and the Director of Finance with the Scheme of Delegation being amended to the following:-

Chief Executive and Director of Finance – to agree voluntary redundancy for any post where there were no impacts on essential functions or they were considered manageable or there was considered to be scope for restructuring, redesign and redeployment; to agree voluntary redundancy for any post which was aligned with a decision taken by Highland Council (e.g. change in policy, reduction in service, cessation of service, reduction in budget); to agree voluntary redundancy for any teaching post (i.e. on teaching terms and conditions) where the removal of that post would reduce a budget pressure; and to agree voluntary redundancy only when the business case represented value for money and gave a pay-back period of no more than three years.

Employment Release Sub Committee – to agree early retirement or redundancy for any post which was considered to be out-with the authority delegated to the Chief Executive and Director of Finance; and to consider exceptional circumstances applying to transfers into the Local Government Pension Scheme from occupational pension schemes or personal pensions schemes.

In summary, it was confirmed that this change to the Scheme was intended to streamline the process for approving applications and would itself reduce the resources required to support the approval process.

The costs of redundancy and pension benefits would be met from Council reserves and this would reduce the level of reserves below that which had previously been agreed by the Council. Future budget decisions would therefore need to consider how to rebuild these reserves to an appropriate level.

During discussion, Members raised the following issues:-

- there was a need for further information to be provided on the deletion of posts as a result of this Scheme in order that Members could be fully advised as to where vacancies were to occur across the Highlands;
- there was concern about the loss of expertise and knowledge across the Council;
- further information was required in regard to proposals for the rebuilding of reserves and how this could be achieved;
- reassurance was needed that any discussion or decision in terms of the potential for future compulsory redundancies would be undertaken by Members in the first instance;
- an additional recommendation should be added to the report to confirm that the revised arrangements would end after a period of one year;
- there should be very clear criteria in place from the outset in regard to both voluntary severance and compulsory redundancy arrangements;
- advance notification should be provided for Members in relation to where posts were to be deleted in order that support and information could be provided for communities across the Highlands as necessary;
- this represented the biggest cultural change for the Council workforce in a generation and support for staff had to be provided as a priority;
- it should be recognised that, as a result of the loss of staff on this scale, the Council would no longer be able to be at the forefront of new initiatives as had been the case in the past which was regrettable for all concerned;
- the focus on issues arising from service delivery would now have to be much narrower than in the past and this had to be recognised by Members, staff and communities;
- tribute should be paid for the way in which the staff were dealing with this situation and thanks conveyed to the HR, Pensions and Digital Services teams in particular for the work undertaken over recent weeks;
- the short, medium and long term impacts for Services had to be examined in the coming weeks and months, with a focus also on the absence and sickness levels of staff;
- there was concern for the Highland economy, with particular emphasis on equalities and geographical issues, and the provision of support and advice for those staff members who might want to set up small businesses in the Highlands was essential;
- a review of the future shape of the Highland Council was now imperative, with a focus on localism throughout and involving Members, Officers, partners and communities;
- in terms of public perception, it was important to ensure that staff leaving on voluntary severance were not then re-employed on an agency/consultancy basis;
- it should be highlighted that voluntary severance represented only part of the solution and compulsory redundancies might still also be required; and
- it was essential that the Trade Unions were continually engaged in all future discussions and consultation on these issues.

### **Decision**

The Council **AGREED** to amend the Scheme of Delegation from the current arrangements described in Paragraph 2.4 to the revised arrangements described in Paragraph 2.5 with immediate effect which would end after one year.

**6. Remuneration of Senior Councillors  
Ìochdadh de Sheann Chomhairlichean**

**Declarations of Interest**

**The following Members declared financial interests in this item and, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, left the room during discussion of the item -**

**Mr A Rhind (Depute Leader of the Council)  
Mr R Laird (Chair - Audit and Scrutiny Committee)  
Mr G Philips (Vice Chair - Audit and Scrutiny Committee)  
Mrs G Coghill (Chair - Caithness Committee)  
Mr H Fraser (Chair - Communities and Partnerships Committee)  
Mr R Greene (Vice Chair - Community Services Committee)  
Mrs I Campbell (Vice Chair - Education, Children and Adult Services Cte)  
Mrs F Robertson (Vice Chair - Education, Children and Adult Services Cte)  
Mr T MacIennan (Leader - Lochaber Area)  
Mr M Reiss (Vice Chair - Planning, Development and Infrastructure Committee)  
Mr A Mackinnon (Vice Chair - Resources Committee)**

There had been re-circulated Report No. HC/60/15 dated 8 December 2015 by the Director of Finance which reviewed and sought approval for a revised list of Senior Councillor posts.

There had been tabled at the meeting Amendments to the revised list of Senior Councillor posts from Mr A Christie which proposed a change to the remuneration for the Depute Leader of the Council, that the positions of Vice Chairs of Strategic Committees should not be remunerated and that new remunerated positions of Area Co-ordinators should be introduced. In this regard, a further amendment to this list was highlighted at the meeting in respect of the remuneration for the position of Chair of the Audit & Scrutiny Committee to bring it in line with that of the other Chairs of Strategic Committees.

During discussion, Members raised the following issues:-

- it was considered that the introduction of Co-ordinator posts met with the aims of the localism agenda for the Highlands in that these posts could champion and take forward this agenda and review the strategic priorities in local areas;
- the Co-ordinator in each individual area could also take forward discussions with partners and communities in terms of controlling, shaping and forming the future delivery of local services in a different way;
- in terms of the current budget situation, and specifically the feedback received from the surveys which had been undertaken, consideration should perhaps also be given at some point as to the scope for reducing the expenses and allowances for Councillors in the future;
- in regard to the proposed amendment which had been tabled at the meeting, the geography of the Highlands, and specifically some Ward boundaries, had made the introduction of the new Local Committees challenging in some cases but there was a need for local issues to be discussed at a local level wherever possible and for Local Committees to be regarded and treated in the same way as Strategic Committees;
- there should be more detailed discussion of the proposed roles of the new Co-ordinators in the first instance prior to consideration of remuneration for the role;

- it was considered that removing the remuneration for Vice Chairs of Committees could undermine these important roles;
- cognisance should be taken of the geographical areas covered by the new Local Committees and also the staffing available in future to service these Committees as part of the consideration of the introduction and remuneration of the proposed Co-ordinator roles;
- there was concern at the differentiation in the proposals for remuneration of the Leader in Inverness and the Leaders in the other areas;
- the amended (tabled) proposal represented a reduction in expenditure and this was welcomed; and
- the key message should be that all areas were respected equally and as such this should be reflected in the remuneration for all local Leaders.

Thereafter, Mrs M Davidson, seconded by Ms M Smith, **MOVED** the recommendations as outlined in the report.

As an **AMENDMENT**, Mr A Christie, seconded by Mr J Gray, moved a revised list of Senior Councillor posts as tabled at the meeting - with the further addition of a change to the remuneration for the Chair of Audit and Scrutiny Committee to bring it in line with the remuneration for the Chairs of the other Strategic Committees.

On a vote being taken, the **MOTION** received 33 votes and the **AMENDMENT** received 22 votes, with 1 abstention, and the **MOTION** was therefore **CARRIED**, the votes having been cast as follows:-

**For the Motion:**

Mr R Balfour, Mrs J Barclay, Mr I Brown, Miss J Campbell, Mr J Crawford, Mrs M Davidson, Mr N Donald, Ms J Douglas, Mr G Farlow, Mr B Fernie, Mr M Finlayson, Mr C Fraser, Mr L Fraser, Mr S Fuller, Mr J Gordon, Mr K Gowans, Mr B Lobban, Mrs L MacDonald, Mr J McGillivray, Mr W MacKay, Mr G MacKenzie, Mrs I McCallum, Mr D Millar, Mr H Morrison, Mrs M Paterson, Mr M Rattray, Mr I Renwick, Mr G Ross, Dr A Sinclair, Mrs G Sinclair, Mrs J Slater, Ms M Smith, Mr B Thompson

**For the Amendment:**

Dr D Alston, Mr A Baxter, Mrs C Caddick, Mr A Christie, Mr B Clark, Dr J Davis, Mr B Gormley, Mr A Graham, Mr J Gray, Mr D Mackay, Ms A MacLean, Mrs B McAllister, Ms L Munro, Mr B Murphy, Mr F Parr, Mr T Prag, Mr G Rimell, Mr J Rosie, Mr R Saxon, Ms K Stephen, Mr J Stone, Mr H Wood

**Abstentions:**

Ms G Ross

**Decision**

The Council **APPROVED** the list of Senior Councillor posts as detailed in Annex 1 to the report.

**At this point, Mr A Rhind, Mr R Laird, Mr G Phillips, Mrs G Coghill, Mr H Fraser, Mr R Greene, Mrs I Campbell, Mrs F Robertson, Mr T MacLennan, Mr M Reiss and Mr A MacKinnon returned to the meeting.**

**7. High Life Highland – Appointment of Independent Directors  
High Life na Gàidhealtachd – Comataidh Ainmeachaidh**

**Declarations of Interest**



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

Mr K Gowans also declared a financial interest on the grounds of a family member being an employee of High Life Highland but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that his interest did not preclude him from taking part in the discussion.

The Council was advised that a recommendation had been received from the High Life Highland Nominations Committee for Mrs Ella MacRae and Mr Donald Somerville to be appointed as Independent Directors to join the High Life Highland Board with effect from the next Annual General Meeting.

### **Decision**

The Council **AGREED** to appoint Mrs Ella MacRae and Mr Donald Somerville as Independent Directors of the High Life Highland Board as detailed.

#### **8. Veterans Champion Laoch nan Seann-ghaisgeach**

The Leader, seconded by the Convener, moved that Mr R Balfour should be appointed as the Veterans Champion.

### **Decision**

The Council **AGREED** to appoint Mr R Balfour as the Veterans Champion.

#### **9. Exclusion of the Public Às-dùnadh a' Phobail**

The Council **RESOLVED** that, under Section 50A(4) of the Local Government (Scotland) Act 1973, the public should be excluded from the meeting for the following item on the grounds that it involved the likely disclosure of exempt information as defined in Paragraphs 6 & 13 of Part 1 of Schedule 7A of the Act.

#### **10. Freedom of Lochaber Saorsa na Gàidhealtachd**

There had been circulated to Members only Report No. HC/4/16 dated 8 January 2016 by the Head of Policy and Reform which invited Members to consider conferring the Freedom of Lochaber.

### **Decision**

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

The meeting ended at 2.45pm.