

**The Highland Council
No. 3 2018/2019**

Minutes of Meeting of the Highland Council held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on Thursday, 6 September 2018 at 10.35am.

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

Present:

Mr G Adam	Mrs L MacDonald
Mr R Balfour	Mr R MacDonald
Mrs J Barclay	Mrs D Mackay
Mr A Baxter	Mr D Mackay
Mr B Boyd	Mr G MacKenzie
Mr R Bremner	Mrs I MacKenzie
Mr J Bruce	Mr S Mackie (and T/C in pm)
Mrs C Caddick	Mr A MacKinnon
Miss J Campbell	Mrs A MacLean
Mrs I Campbell	Mr C MacLeod
Mrs G Campbell-Sinclair	Mr D MacLeod
Mrs H Carmichael	Mr D Macpherson
Mr A Christie	Mr R MacWilliam
Dr I Cockburn	Mrs B McAllister
Mrs M Cockburn	Mr J McGillivray (V/C)
Mr G Cruickshank	Mr N McLean
Ms K Currie	Mr H Morrison
Mrs M Davidson	Ms L Munro
Mr J Finlayson	Mrs P Munro
Mr M Finlayson	Mr I Ramon
Mr C Fraser	Mr M Reiss
Mr L Fraser	Mr A Rhind
Mr R Gale	Mr D Rixson
Mr K Gowans	Mrs F Robertson
Mr A Graham	Mrs T Robertson
Mr J Gray	Mr K Rosie (V/C)
Ms P Hadley	Mr G Ross
Mr T Heggie	Mr P Saggars
Mr A Henderson	Mr A Sinclair (and T/C in pm)
Mr A Jarvie (and T/C in pm)	Ms N Sinclair
Ms E Knox	Mr C Smith
Mr R Laird	Ms M Smith
Mr B Lobban	Ms K Stephen
Mr D Louden	Mr B Thompson

In Attendance:

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

Also in Attendance:

Mr R Middlemiss, Local Senior Officer, Scottish Fire and Rescue

Mr B Lobban in the Chair

Apologies for absence were intimated on behalf of Mr B Allan, Mr I Brown, Mr J Gordon, Mr W MacKay, Mrs M Paterson and Mrs C Wilson.

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

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

Item 5 – Mrs C Caddick

Item 7 – Mr A Christie (Financial)

Item 13 – Mr A Christie (Financial) and Mr K Gowans, Mr T Heggie, Mr A Jarvie and Mr D Macpherson (Non-Financial)

Item 16 – Mr A Christie (Financial)

Prior to the commencement of the formal business, the Convener congratulated Dr I Cockburn on his appointment as Depute Leader of the SNP Group.

The Convener also welcomed the new Youth Convener Ms Esme Leitch, who was attending her first meeting of the Council in her new role. Ms Leitch responded accordingly.

The Council also congratulated:-

- the Highland Council's Revenue Team who were awarded the Benefit and Welfare Reform Team of the Year for Scotland and who were now going forward to the UK Awards;
- Glenurquhart Ladies' Shinty Team who had won the Marine Harvest Challenge Cup on 1 September;
- Badenoch and Strathspey Ladies' who had won the Marine Harvest Valerie Fraser Camanachd Cup on 1 September; and
- Pentland United on winning the Highland Amateur cup on 25 August.

3. **Recess Powers** **Cumhachdan Fosaidh**

It was **NOTED** that the recess powers granted by the Council at the meeting on 28 June 2018 did not require to be used in relation to the full Council.

4. **Confirmation of Minutes** **Daingneachadh a' Gheàrr-chunntais**

There had been submitted for confirmation as a correct record the Minutes of Meeting of the Council held on 28 June 2018 as contained in the Volume which had been circulated separately - which were **APPROVED**.

5. **Minutes of Meetings of Committees** **Geàrr-chunntasan Choinneamhan Chomataidhean**

Declaration of Interest – Mrs C Caddick declared a non-financial interest in this item as a Member of the Cairngorms National Park Authority 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 submitted for confirmation as correct records, for information as

regards delegated business and for approval as appropriate, the Minutes of Meetings of Committees as contained in Volume which had been circulated separately as undernoted:-

Pensions Committee, 9 August
 Ross & Cromarty Committee, 15 August
 Environment, Development & Infrastructure Committee, 16 August
 *Badenoch & Strathspey Area Committee, 21 August
 Care, Learning & Housing Committee, 22 August
 *Sutherland County Committee, 23 August
 Caithness Committee, 28 August
 *Corporate Resources Committee, 29 August
 City of Inverness Area Committee, 30 August
 Lochaber Area Committee, 30 August
 Isle of Skye & Raasay Committee, 3 September

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

Environment, Development & Infrastructure Committee, 16 August

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It was **AGREED** that an amendment should be made to the Minute to confirm Mrs L MacDonald's attendance at the meeting.

Badenoch & Strathspey Area Committee, 21 August

Starred Item: Item 4 : P.231: Strathspey Railway Charitable Trust

The Council **AGREED** to continue to provide non-financial support to the Strathspey Railway Project.

Starred Item: Item 7 : P.233: Active Aviemore Study Update

The Council **AGREED** to provide non-financial support to the CNPA to take forward a non-motorised users route connecting Aviemore, Carrbridge and Boat of Garten.

Sutherland County Committee, 23 August

Starred Item: Item 8: P.5: Annual Area Capital Report

The Council **AGREED TO WITHDRAW** the following - the income of £70k generated from the sale of a Community Services building in Dornoch being ring-fenced for use in Sutherland.

Starred Item: Item 12: P.6: Centenary Fields – Bonar Bridge War Memorial Gardens

The Council **AGREED** that the Bonar Bridge War Memorial Gardens should be nominated for Centenary Field status.

Corporate Resources Committee, 29 August

Starred Item: Item 9: P.17: Chief Executive's Office and Members' Revenue Monitoring Report to 30 June 2018

The Council **AGREED** that (with the exception of periods of illness) Members should now be required to submit their expenses for processing within a 3 month timescale otherwise they would be submitted to the next Corporate Resources Committee meeting for formal approval.

The Council also **AGREED** that, in relation to **Item 12 – Alness Academy**, the additional wording (which was tabled at the meeting) be added to the Minutes in respect of the detailed legal requirements to be provided to Hubco which had been outlined in the report.

6. Membership of Committees, etc Ballarachd Chomataidhean, msaa

It was **NOTED** that Mr R Laird had tendered his resignation as Chair of the Audit & Scrutiny Committee with effect from 5 September 2018. Mr Laird expressed his appreciation for the support he had received, both from staff, fellow Members and Press and Public, but particularly highlighted that of his fellow Ward colleagues.

In this regard, having been duly proposed and seconded, nominations were received for the appointment of Chair of the Audit & Scrutiny Committee as follows:-

Mr G MacKenzie
Mr P Saggars

On a vote being taken, Mr Mackenzie received 21 votes and Mr Saggars received 12 votes, with 34 abstentions, the votes having been cast as follows:-

Votes for Mr G MacKenzie

Mr B Boyd, Mr R Bremner, Mrs G Campbell-Sinclair, Dr I Cockburn, Mrs M Cockburn, Ms K Currie, Mr C Fraser, Mr K Gowans, Ms P Hadley, Ms E Knox, Mr R Laird, Mr D Louden, Mrs L MacDonald, Mr G MacKenzie, Mr C MacLeod, Mr R MacWilliam, Mr J McGillivray (V/C), Mr N McLean, Mrs P Munro, Mr K Rosie (V/C) and Ms M Smith.

Votes for Mr P Saggars

Mr R Balfour, Mr J Bruce, Mr G Cruickshank, Mr A Jarvie, Mr D Mackay, Mrs I MacKenzie, Mr S Mackie, Mr D MacLeod, Mr I Ramon, Mr P Saggars, Mr A Sinclair, and Mr C Smith.

Abstentions

Mr G Adam, Mrs J Barclay, Mr A Baxter, Mrs C Caddick, Mrs B Campbell, Miss J Campbell, Mrs H Carmichael, Mr A Christie, Mrs M Davidson, Mr J Finlayson, Mr M Finlayson, Mr L Fraser, Mr R Gale, Mr A Graham, Mr J Gray, Mr T Heggie, Mr A Henderson, Mr B Lobban, Mr R MacDonald, Mrs D MacKay, Mr A Mackinnon, Mr D Macpherson, Mrs B McAllister, Mr H Morrison, Ms L Munro, Mr M Reiss, Mr A Rhind, Mr D Rixson, Mrs F Robertson, Mrs T Robertson, Mr G Ross, Ms N Sinclair (via VC), Ms K Stephen and Mr B Thomson.

It was therefore **AGREED** that **Mr G MacKenzie** should be appointed as Chair of the Audit & Scrutiny Committee.

The Council also **AGREED** the following :-

Pensions Board – Mr D Rixson to replace Ms L Munro
South Planning Applications Committee (Sub – Ward 17) – Mrs T Robertson

7. Health and Social Care Working Group
Buidheann-obrach Slàinte agus Cùraim Shòisealta

Declaration of Interest – Mr A Christie declared a financial interest in this item as a Non-Executive Director of NHS 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.

There had been circulated Minutes of Meeting of the Health & Social Care Working Group held on 26 June 2018 which were **APPROVED**.

8. Question Time
Am Ceiste

The following Questions had been received by the Depute Chief Executive/Director of Corporate Development in terms of Standing Order 42 –

(i) Mr A Jarvie

To the Leader of the Council

“What are the details of the engagements your Administration have had with Her Majesty’s Government and the Devolved Scottish Administration since the last full Council?”

The response had been circulated.

In terms of a supplementary question, Mr Jarvie queried the detail of the engagement, exactly who had been met and what had been discussed.

In response, the Leader confirmed that information of discussions would be reported to Committees, as appropriate, and she was available to answer any specific questions individual Members might wish to ask.

(ii) Mr R Bremner

To the Leader of the Council

“What steps have you taken to fully consult with the public and manage their expectations in respect of your upcoming budget for 2019/2020?”

The response had been circulated.

In terms of a supplementary question, Mr Bremner asked how confident the Administration was, given the shortfalls of last budget year and the shortfall of £5.1m already forecast for this year, albeit that Members were told remedial action was being taken immediately, that the answers contained in the initial response would be timeously implemented and wholly effective so that future similar impacts could be avoided.

In response, the Leader confirmed the Administration's confidence. The position was being closely monitored with monthly updates received from Directors and Heads of Service as the budget process progressed.

(iii) Mr A Jarvie

To the Chair of the Care, Learning & Housing Committee

"How does the Highland Council named person scheme operate and how does this differ from what was ruled illegal by the Supreme Court in July 2016?"

The response had been circulated.

In terms of a supplementary question, Mr Jarvie said that there were conflicting views on the named person scheme and how it operated. The Supreme Court had voted against the information sharing provisions related to the scheme. However, the Council said that there were very drastic differences that allowed us to continue and he asked how that was being addressed. The response received said the Highland Scheme was in compliance with data sharing provisions and he asked if this had been reviewed since GDPR came in.

In response, the Chair of the Care, Learning & Housing Committee said he had every confidence that officers were proceeding on the basis that they could do this local information sharing under current data protection legislation and that they would have ensured all the GDPR requirements were being upheld.

(iv) Mr R MacWilliam

To the Chair of the Environment, Development & Infrastructure Committee

"What measures does the Administration intend to take to improve the condition of Highland roads?"

The response had been circulated.

In terms of a supplementary question, Mr MacWilliam asked what assurances the Chair of the Environment, Development & Infrastructure Committee could offer that the Administration would not further burden the local authority in the medium to long term by prioritising short term surface dressings as a cheap alternative to reconstruction work on roads.

In response, the Chair of the Environment, Development & Infrastructure Committee pointed out that in 2013/14 £3.8m had been spent of capital, in 2014/15 £4.5m, 2015/16 £4.5m, 2016/17 £7.2m, last year £8.2m and this year £9.7m.

(v) Mr A Graham

To the Leader of the Council

"In view of the considerable difficulties with infrastructure and services to support our important tourism sector, what does the Council view as the priorities to improve visitor experience in the Highlands, and how might these be delivered?"

The response had been circulated.

There was no supplementary question.

9. Notices of Motion Brathan Glusaid

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

(i)'Highland Council review their policy on abandoned and parked nuisance vehicles and, working with partners, establish a clear Highland-wide policy to deal with these'.

Signed: Mr R Bremner Ms M Smith

During discussion, Members raised the following issues:-

- this was an issue across the Highlands and an effective policy would empower officers, improve the environment and aesthetic appeal of the Highlands and the wellbeing of communities in the area;
- early discussions needed to be held on this matter and a report submitted to the relevant strategic Committee to take this forward;
- the potential financial implications for the Council associated with the removal of vehicles should be recognised in the discussions on this matter;
- it was important for the Council to work with a range of partners including the Police and Registered Social Landlords to establish a clear and consistent Highland-wide policy;
- the Northern Roads Collaboration Joint Committee, which comprised eight local authorities, had been asked to consider an overall policy on this issue on the basis that a stronger case could be made to the Scottish Government on the need for a policy on this issue through a joint approach; and
- reference was made to the responsibilities of the UK Government and the DVLA in dealing with this issue and correspondence Members had received in this regard and which would be shared as part of the discussions.

Decision

The Council **AGREED** the terms of the Notice of Motion as detailed.

(ii)'Council notes with concern the recent reports surrounding the adverse health effects from long term exposure to glyphosate, the chemical in weedkiller.

Council agrees to fully review their policy on weedkilling in Highland with regard to prevention options, as well as exploring affordable and safe alternatives to the ingredient glyphosate, with a view to introducing this as soon as possible'.

Signed: Mr N McLean Mr C Fraser Ms M Smith

During discussion, Members raised the following issues:-

- under the Control of Substances Hazardous to Health (COSHH) regulations the Council was required to identify the chemicals it used and concern was expressed that the chemical identity of glyphosate was essentially withheld due to trade secret information;
- as a responsible employer, the Council should at an early stage investigate the introduction of safer and affordable alternatives to glyphosate to protect its workforce, public and the environment;

- the use of glyphosate was being reviewed, phased out and banned in many countries around the world in view of the health concerns that it was carcinogenic;
- there was conflicting evidence in relation to the use of glyphosate, reference being made to the different approaches of the World Health Organisation and the European Union in terms of licensing the chemical;
- a number of local authorities in Scotland were reviewing and implementing herbicide reduction policies and there was an opportunity for cross authority working in relation to a policy review on weedkilling in the Highlands;
- an assurance was provided that the COSHH regulations were being applied and strict health and safety measures were in place for Council staff using glyphosate;
- the Service regularly review working practices to identify more sustainable methods of weedkill control and discussions had been held with other local authorities on this matter; and
- while controls may be in place within the Council there was a need to account for potential accidents and therefore the best way to address the risks was to remove the chemical from use.

Decision

The Council **AGREED** the terms of the Notice of Motion as detailed.

(iii)'Highland Council notes the concern from communities, businesses and the third sector regarding the enforced closure of public conveniences across Highland in order to provide savings as dictated by the Revenue Budget earlier this year.

Council commits to address the changes needed to protect Highland public toilets in a proactive and engaging way, with officers providing a range of accurate, detailed reports, fuelled by their experience, when consulting with communities throughout the summer. These should not be dependent upon the budget cuts agreed in February, before consultation, but look for viable alternatives to retain the public conveniences, as well as seeking a commercial aspect to this, in order to provide future income to the Council but also to make toilets sustainable financially going forward. Council may wish to present this report to a future meeting of the EDI Committee for discussion'.

Signed: Ms K Currie Mr B Boyd

During discussion, Members raised a number of issues including the following key issues:-

- the Notice of Motion had been brought forward to address the concerns of communities in the Highlands;
- a petition of nearly 15,000 signatures had been submitted calling for the Council's decision to be re-examined and a campaign spearheaded in North West Sutherland had undertaken a significant volume of quantitative and qualitative research on this issue;
- any suggestion that the Rural Tourism and Infrastructure Fund be used to retain public conveniences in the area was not viable as the Fund related to capital spend and not the revenue source required to maintain public convenience provision;
- the Council should tap into the knowledge and experience of its staff and engage with and encourage communities to come forward with suggestions and local solutions and viable alternatives to reduce revenue costs and retain as many public conveniences as possible;

- the need for empirical evidence on the potential options on which to base budget decisions and therefore officers be asked to prepare accurately costed reports as part of the consultation;
- officers had been undertaking good work over the summer around the strategic mapping, placement and arrangements for future public convenience provision in the area including alternative options involving partners and comfort scheme arrangements;
- this work was also focused on developing sustainable hubs within communities which provided a range of other facilities in addition to toilets;
- it was important to recognise the North Highland Initiative had been involved in the above work in respect of the North Coast 500;
- many communities had embraced the opportunity to enter into comfort schemes as they recognised the mutual benefits of this arrangement;
- the decision taken to rationalise public convenience provision in the Highlands was one part of a series of difficult decisions which had to be taken by Members to achieve the required level of savings on the budget;
- the provision of toilets was not revenue generating or a mandatory requirement for the Council and there would continue to be a high level of public convenience provision in the Highlands following the review in comparison to other areas of the UK;
- concern was expressed that, in relation to the petition, campaigns and correspondence received on this matter, a negative picture of a mass closure of public toilets had been portrayed which had misrepresented the Council's decision on this matter. The importance of Members and members of the public being fully informed of the facts on this matter was emphasised;
- the Council's initial communications on this issue had not been effective and inaccurate information had been issued to communities which might, in turn, have resulted in some communities rolling out misinformation;
- there was concern about the impact a lack of toilet facilities in the Highlands would have on the area as a tourist destination and, consequently, would have an adverse impact on the economy;
- the Scottish Government had seen a significant increase in tax receipts as a result of the Highland tourism boom. The Council should therefore seek additional revenue funding from the Scottish Government to adequately support tourism;
- there were commercial opportunities to generate income from public toilets in those areas which had experienced a boom in tourism and which could potentially be used to subsidise those less busy facilities; and
- the Council and communities should learn lessons from the process to date and going forward and on completion of the review have positive and informed collective discussions on the way forward. This included how facilities could be improved to achieve a better outcome for the Highlands given that many of the existing public toilets were in sub-standard condition.

Thereafter, Ms K Currie, seconded by Mr B Boyd, **MOVED** the terms of the Notice of Motion as detailed.

As an **AMENDMENT**, Mr A Henderson, seconded by Mrs M Davidson, moved that the Highland Council notes the concern from communities, businesses and the third sector regarding the rationalisation of public conveniences across Highland in order to produce savings passed in the Revenue Budget earlier this year.

Council has committed to address the changes needed to protect Highland public toilets in a proactive and engaging way, with officers providing a range of accurate

detailed reports fuelled by their experience when consulting with communities throughout the season.

The Council looks for viable alternatives to retain as many public conveniences as possible, as well as seeking commercial aspects to provide future income to the Council and to make toilets sustainable going forward.

The Council may wish to present the report to the Council meeting in October and discuss this.

The Scottish Government has seen a significant increase in tax receipts as a result of the Highland tourism boom. The Council further agrees to lobby the Scottish Government for revenue funding for public toilets in order to adequately support tourism”.

On a vote being taken, the **MOTION** received 20 votes and the **AMENDMENT** received 43 votes, with no abstentions, and the **AMENDMENT** was therefore **CARRIED**, the votes having been cast as follows:-

For the Motion:

Mr B Boyd, Mr R Bremner Mrs G Campbell-Sinclair, Dr I Cockburn, Mrs M Cockburn, Ms K Currie, Mr C Fraser Mr K Gowans, Mrs P Hadley, Ms E Knox, Mr R Laird, Mr D Loudon, Mrs L MacDonald, Mr G MacKenzie, Mr C MacLeod, Mr R MacWilliam, Mr N McLean, Ms P Munro, Mr K Rosie and Ms M Smith.

For the Amendment:

Mr G Adam, Mr R Balfour, Mrs J Barclay, Mr A Baxter, Mr J Bruce, Mrs C Caddick, Mrs B Campbell, Miss J Campbell, Mrs H Carmichael, Mr A Christie, Mr G Cruickshank, Mrs M Davidson, Mr M Finlayson, Mr L Fraser, Mr R Gale, Mr A Graham, Mr J Gray, Mr T Heggie, Mr A Henderson, Mr A Jarvie (T/C), Mr B Lobban, Mr R MacDonald, Mr D Mackay, Mrs I MacKenzie, Mr S Mackie, Mr A Mackinnon, Mrs A MacLean, Mr D MacLeod, Mr D Macpherson, Mrs B McAllister, Mr H Morrison, Ms L Munro, Mr I Ramon, Mr M Reiss, Mr D Rixson, Mrs F Robertson, Mrs T Robertson, Mr G Ross, Mr P Saggars, Mr A Sinclair, Ms N Sinclair (via VC), Ms K Stephen and Mr B Thomson.

Decision

It was **AGREED** that “the Highland Council notes the concern from communities, businesses and the third sector regarding the rationalisation of public conveniences across Highland in order to produce savings passed in the Revenue Budget earlier this year.

Council has committed to address the changes needed to protect Highland public toilets in a proactive and engaging way, with officers providing a range of accurate detailed reports fuelled by their experience when consulting with communities throughout the season.

The Council looks for viable alternatives to retain as many public conveniences as possible, as well as seeking commercial aspects to provide future income to the Council and to make toilets sustainable going forward.

The Council may wish to present the report to the Council meeting in October and discuss this.

The Scottish Government has seen a significant increase in tax receipts as a result of the Highland tourism boom. The Council further agrees to lobby the Scottish Government for revenue funding for public toilets in order to adequately support tourism”.

(iv) Highland Council recognises the indisputable link between Adverse Childhood Experiences and poor health outcomes in later life; commends Care and Learning officers, NHS Highland and the academic community for stimulating awareness and discussion about ACEs; urges all Members to attend a screening of the film 'Resilience' and commits Highland Council to becoming an 'ACE-Aware' Council’.

Signed: Mr R MacWilliam Ms K Currie

During discussion, Members raised the following issues:-

- the emerging discussion on ACEs across Scotland was the starting point for stemming unnecessary ill health in adults and the proliferation of mental health disorders across the adult population;
- reference was made to the volume of national research and development work on the correlation between adverse childhood experiences and ongoing health and wellbeing problems in adulthood which impacted on lives and on the public purse;
- there was a significant amount of work ongoing locally through the Care and Learning Service and NHS Highland to inform the Highland Practice Model, and to explore the opportunities through the community planning process to engage communities in the discussion;
- in terms of effective interventions and support in childhood, this was underpinned by the Council's policy of Getting It Right For Every Child and its approach to the named persons policy;
- a number of Members had already attended the screening of the film 'Resilience' and those sessions where there had been interaction with early years practitioners had been particularly useful;
- the Council's Head of Additional Support Services and Early Years Educational Psychologist be commended on their nationally recognised work in this area;
- while the Council had been working in this area for a considerable number of years and it was not considered a whole new approach was required, there was need to refine and add to this work to ensure it was current and refreshed; and
- a range of experiences other than neglect and abuse might contribute to ACEs such as poverty and therefore the issue was wider than the educational and social work spheres and about society as a whole and the importance therefore of this being at the forefront of work across the Council.

Decision

The Council **AGREED** the terms of the Notice of Motion as detailed.

(v) Tha a' Chomhairle a' cur meal-a-naidheachd air a' chòmhlàn-chiùil roc Gàidhealach Runrig às dèidh 45 bliadhna de shoirbheachas, a' brosnachadh cànan is cultar na Gàidhlig is na Gàidhealtachd air feadh na h-Alba agus an t-saoghail. Thathar ag aithneachadh an tabhartais a tha iad air a dhèanamh do cheòl, a' toirt dualchas òran is sgeulachdan Gàidhlig gu luchd-èisteachd eadar-ghinealaich is eadar-nàiseanta. Thathar a' cur luach air na tha an còmhlàn air cur ri beatha chultarail na Gàidhealtachd, a' toirt taing dhaibh airson iomadh neach-ciùil òg às a' Ghàidhealtachd a bhrosnachadh, a' toirt fa-near gu bheil an còmhlàn a-nis air an dreuchd a leigeil dhiubh a thaobh a bhith a' cluiche beò agus a' guidhe gach soirbheachais dhaibh anns na nì iad san àm ri teachd.

That the Council congratulates Highland rock band Runrig on 45 years of success, promoting Gaelic and Highland language and culture throughout Scotland and the world, recognises the contribution that they have made to music, bringing the tradition of Gaelic songs and stories to an inter-generational and international audience, values the contribution the band has made to the cultural life of the Highlands, thanks them for the inspiration that they have provided to many young Highland musicians, notes that the band have now retired from live performing and wishes them every success in their future endeavours’.

Signed: Ms K Currie Mr R Bremner

During discussion, Members raised the following issues:-

- the annual Blas festival in the Highlands would not exist without Runrig’s contribution to the cultural and social life in the Highlands;
- the band’s pioneering music and presence on an international stage gave many young people in the Highlands confidence to express themselves in their language, music and song and a pride in their roots and place; and
- the band had a unique ability to promote Highland language and culture to an international audience over a period of 45 years and should be thanked for their contribution in this regard.

Decision

The Council **AGREED** the terms of the Notice of Motion as detailed.

10. Multi-year Revenue Budget Planning 2019/20 to 2021/22 – Update Report Dealbhadh Buidseit Teachd-a-steach Ioma-bhliadhna 2019/20 gu 2021/22 – Aithisg Ùrachaidh

There had been circulated Report No. HC/27/18 dated 27 August 2018 by the Director of Corporate Resources / Depute Chief Executive.

There was a need to plan for a multi-year budget to address a potential funding gap of £66.7m over the next three years. In particular, two risks had emerged recently, firstly a £5.1m forecast overspend in budget in the current financial year and secondly the uncertainty over the outcome of current pay negotiations.

The Budget Leader confirmed that urgent corrective action was being taken to ensure that there was a balanced revenue budget at the end of the current financial year. Financial recovery plans prepared by Directors would be submitted to the next round of Strategic Committees. Services would be required to look at how they delivered services within available resources. All Services had been asked to ensure that there was no unnecessary expenditure incurred.

Continuing, the Budget Leader advised that there had been a culture within the Council that budgets must be utilised and this practice needed to stop and the emphasis must now be on trying to achieve an underspend to replenish reserves. If there was another severe winter then there was a real risk that the Council might not be able to achieve a balanced budget and the Council could not base its financial planning on receiving additional resources from the Scottish Government for an unforeseen event. There was a need to focus on income generation from the Council’s assets such as car parking. Next year’s budget would be equally as challenging as previous years and the three year budget plan, along with the

workforce management plan, would be a crucial part of the strategy for efficient budget management.

Thereafter, Members welcomed the proposed multi-year budget and the need to increase reserves given that they were at a low level. A point was made that it was for the Administration to come forward with budget proposals and to take responsibility for these. Opposition Groups would scrutinise those budget proposals, but would also be actively working on their own budget proposals. The view was expressed that cross party working was essential to deliver the scale of ambitious transformation programmes that are required.

It was noted that approximately £2.6m of Council Tax income received from second homes was earmarked for affordable housing. This was in accordance with Government guidelines that stated this money could not be used to fund general services. A view was made that any suggestion that the Council lobby government to have discretion to use this income for other purposes could not be supported as the Highlands badly needed affordable housing. However, other Members supported the view that the Council should have full discretion over the use of Council tax income. It was also suggested that the cap on Council tax increases should be lifted, so that Councils had the flexibility to increase Council tax beyond 3% to fund essential services.

It was also advised that a former Citizen's Panel Survey undertaken by the Council showed that 61% of respondents would support a 5% increase in Council Tax if local services were protected.

A point was raised that there was a loophole in respect of second homes whereby owners applied for a change of use and registered the property as a Bed and Breakfast, and therefore they could claim non domestic rates relief. This was an issue that required to be addressed given the loss of income to the Council and the scale of the problem needed to be identified.

The Elected Member survey seeking views on their priority areas and the areas in which they may be prepared to see savings made was welcomed. In the past contributions from staff had been received on this through Peer and Lean Reviews and this was important, as staff views were important and very much valued.

While raising Council tax would raise much needed additional income this would only reduce the budget gap by a small amount. Therefore the focus needed to be the Grant settlement from Government which had been reduced over the last few years. The Council needed to request COSLA to lobby the Government for an increase in Grant settlement for Local Government. It would be very helpful to Local Government for long term financial planning if there was a three year grant settlement from the Scottish Government.

The development of Service profiles which would be the basis for the budget process and that any service changes would be supported by an appraisal of costs and benefits, was welcomed. However, it was suggested that the appraisals should be reviewed after a period of time, to check performance against the targets set and the Council's Audit and Scrutiny Committee may be the appropriate forum to carry out this function.

The Programme for the Council would require to be closely linked with the budget process in order to ensure that objectives were affordable.

A view was expressed that income was being lost by not maximising the potential from Council owned empty properties. In this respect, there were proposals for empty janitors' houses to be utilised to attract key public sector workers.

Consultation with the public on budget proposals was important, but however a view was expressed that public consultation on recent public convenience closures and car parking charges had been inadequate.

Given the recent ICT problems within the Council it was queried if the Council would be seeking recompense from Wipro as a result of these failures. It was confirmed that the Council would hold Wipro to account for the delivery of IT Services.

Decision

The Council **NOTED** the working assumption for the budget gap of £66.7m over the next three years, the extent to which any increase in Council Tax might meet this gap and the progress to date in addressing the budget gap.

11. Redesign of Highland Council – Update from the Board Ath-dhealbhadh Chomhairle na Gaidhealtachd – Aithisg Adhartais

There had been circulated Report No. HC/28/18 dated 28 August 2018 by the Chief Executive.

During discussion, Members raised the following issues:-

- it was requested that an update be provided to the Redesign Board on achievement of the outcomes that had been set following the Fostering and Adoption Lean review, particularly in regard to recruitment of foster carers;
- the Peer Expenditure Review had made excellent progress and it was anticipated that once fully rolled out across the Council this approach (subjective code) could generate significant savings;
- staff were commended for their work on the Peer Reviews which had enabled staff and Members to become much more knowledgeable of the many different functions undertaken by the Council;
- many of the larger efficiencies would require investment and patience to achieve the savings identified; and
- it was requested that the Building Trades Services Peer review be expedited in view of the level of potential savings identified and the need for maintenance issues to be addressed in a timely manner.

Decision

The Council **NOTED**:-

- i. that the peer review into commissioned preventative services for children would conclude soon and the Board's recommendations were planned to be made to the Care, Learning and Housing Committee in October 2018. The building trades peer review was well underway and was expected to conclude in the autumn. Four new peer reviews were being tasked;
- ii. that, after the first full year of Lean practice, staff had identified the positive impact of reviews as well as the support required to see them implemented well. This provided important organisational learning and would be reported fully to the Board along with a plan to unblock any Lean review implementation, especially where savings or income potential were being delayed;

- iii. that an update report on redesign and workforce implications had been viewed positively at the Staff Partnership Forum with Trade Unions;
- iv. an update of the range of redesign reviews and their budget impact as set out in Appendix 1 of the report;
- v. that peer expenditure reviews had been agreed by the Board as a way of focusing on identifying further savings in 2018/19; and
- vi. that considerable pace and priority would be given to redesign work in order to deliver the necessary results and savings.

12. Local Governance Review

Ath-sgrùdadh Riaghaltas Ionadail

There had been circulated Report No. HC/29/18 dated 29 August 2018 by the Chief Executive.

In discussion the following main points were raised by Members:-

- the Local Governance Review was concerned about improving lives of local people, improving outcomes, health, education, attainment and inclusion. Therefore, it was important to give all stakeholders the opportunity to contribute to the Review process, with the objective of making improvements to governance locally, to improve lives and outcomes;
- in relation to the European Charter of Local Self Government, it was explained that local government in Europe was undertaken in smaller geographical areas such as counties and municipalities and this had relevance for discussion on Local Governance for Highland as, for example, how to increase the powers of Community Councils. Also, in terms of Local Government finance the Charter allowed Councils flexibility in the amount of taxes raised locally. However, these powers would have to be used responsibly;
- in relation to Appendix 2 of the report, it was stated that *“In the last community council elections in 2015, only 25/154 had places contested. In all others the number of nominations matched the places available.”* It was advised that this was incorrect, as the number of nominations had not matched the places available;
- the report referred to changing the role of Community Councils and Community Councillors but concern was expressed that some Community Councillors might not wish to take on more responsibility and it might make it more difficult to attract people to join Community Councils;
- in relation to the Scottish Government’s development of the single public authority model for the three Island Authorities, if this model was successful this would replace current public sector non-elected bodies with a single democratically elected authority responsibly for public services in the Island community. If it worked, the model could be extended to Highland. Further, the aspirations for Local Committees needed to be enhanced so that they had more devolved powers over matters affecting their communities;
- there should be an item on a future Highland Council agenda to discuss the report of the Commission for Highland Democracy;
- the Highland Youth Parliament should be consulted on the Local Governance review;
- Community Partnerships worked well in some areas of Highland and less so in other areas. There was a need to have an in-depth look at how they worked to see how they could be strengthened and be more effective;
- to finalise the Council’s proposals for the review there should be a Members Seminar to discuss the issue;
- the structure of future local governance needed to be considered in the review;

- with reference to Community Councils, they had limited budgets to work with and they did not have professional support;
- there was a need for more joint working with the other public sector organisations in Highland; and
- there was a need to increase awareness of the review of local governance in Communities and promote the grants available to community groups to hold meetings on the issue.

Decision

The Council **NOTED**:-

- i. the launch of the Local Governance Review, its intention to enable further community empowerment and the two strands of engagement underway to inform the review;
- ii. CoSLA's active role in developing a local authority position on the review, that the Council was supporting Strand 1 and the engagement of community bodies in the review by offering to host any regional events planned and raising the engagement questions (Appendix 1) with Community Councils;
- iii. that the Council would respond to Strand 2 by 14 December and had provided feedback on issues and ideas identified so far to CoSLA (Appendix 2) and that there would be other opportunities to align and reinforce the Council's position on the Local Governance Review, including supporting CoSLA's work with the Government on the Open Government Partnership;
- iv. the ideas which had been raised so far as set out in Paragraphs 4.7 and 4.8 and Appendix 2;

and **AGREED**:-

- v. the process for finalising the Council's proposals as set out in Paragraph 4.13 which would enable further discussion for Members in their Groups, in a Member Seminar, at the October Council meeting and with partners and would take into account any feedback from Community Councils and any regional events hosted by the Council as well as ideas developed through CoSLA; and
- vi. to support CoSLA's position (Appendix 3) on the consultation response to a proposed Members' Bill to enshrine the European Charter of Local Self Government in Scots Law.

13. Corporate Performance Report Aithisg Choileanaidh Chorporra

Declarations of Interest –

Mr A Christie declared a financial interest in this item as a Non-Executive Director of NHS 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.

Mr T Heggie, Mr D Macpherson and Mr A Jarvie 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 declared a non-financial interest in this item on the basis that a family member was employed by 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.

There had been circulated Report No. HC/30/18 dated 27 August 2018 by the Chief Executive.

The Director of Care and Learning reported in relation to educational attainment and advised that it was intended to report on this year's examination performance to the next Care, Learning and Housing Committee and this would be followed up by detailed briefings for Members locally.

During discussion, Members raised the following issues:-

- a breakdown was requested on the expenditure shown in the report on school refurbishment and renovation works;
- further information was sought on the trends in respect of the pupil/teacher ratios in Highland. It was confirmed that the information for this year would be available following an audit to be undertaken later in the month;
- the work being undertaken in relation to blended learning was welcomed, reference being made to the opportunities to grow e-learning in Highland and to take advantage of the latest technology in conjunction with other education providers in the area such as the UHI;
- in relation to barriers to access to employment, concern was expressed at specific cases highlighted in the local press where individuals had to give up employment due to the fact they could not access public transport;
- in response to the above, an update was provided on the work ongoing within the Service and around community transport to align links to the main bus routes and also seeking community support;
- the Chief Executive and Directors were thanked for their work in taking forward the Service Plans and delivering services in line with the Council's Programme; and
- a review of the Council Programme was being undertaken and arrangements would be made to engage and consult with Members on the review in the near future.

Decision

The Council:-

- i. **NOTED** the good progress being made with delivery of the Council's Programme for the period 1 April 2017 to 31 March 2018;
- ii. **NOTED** that the annual review of the Programme was underway and any amendments required (followed by an updated Corporate Plan) would be submitted to the Council by the end of December 2018; and
- iii. **AGREED** to await a further report on Statutory Performance Indicators and the Local Government Benchmarking Framework no later than March 2019.

14. Annual Performance Report for 2017-18 against the Local Fire and Rescue Plan for Highland Coileanadh mu Choinneamh Plana Seirbheis Ionadail Smàlaidh agus Teasairginn na Gàidhealtachd 2017-18

There had been circulated Report No. HC/31/18 dated 27 August 2018 by the Local Senior Officer – Highland, Scottish Fire and Rescue Service.

During discussion, Members raised the following issues:-

- Members commended the work of the Fire and Rescue Service during a very challenging year and expressed appreciation for their response and professionalism to incidents across the Highlands. Overall Members welcomed the report and were very encouraged by the results contained therein;
- Members welcomed the 'can do' attitude of the Fire and Rescue Service and a request was made for greater flexibility to enable training to be undertaken;
- although the increased number of full time fire fighters was welcomed, pleas were made for greater flexibility in regard to crew staffing levels. It was explained that current policy required four fire fighters to attend every incident and requests were made for the crew staffing level to be reduced for minor incidents and health related responses;
- Members praised the changes implemented, especially the introduction of the smaller rapid response units which would improve access/navigation of single track roads in remote and rural areas. It was also highlighted the unit rollout had commenced in the North Coast of the Highlands and this was appreciated;
- Members recognised the significant support that had been made by local communities and volunteer contributions in tackling wildfires;
- a request was made for further preventative measures such as utilisation of fire suppressants units to be implemented;
- an explanation was sought and provided as to the reason for the spike in the number of accidental dwelling fires in the Fort William and Ardnamurchan and Badenoch and Strathspey areas;
- it was felt that the educational work undertaken by the Fire and Rescue Service attending community events had had a positive impact in the reduction of deliberate fires. However, concern was expressed that the number of False Alarms had not been reduced. This needed to be addressed and it was suggested that there should be greater community awareness on this issue; and
- further information was sought and provided on the work undertaken by the Service in terms of prevention, particularly in regard to information/advice for students. In addition, it was suggested that partnership work should be undertaken with young drivers and local car dealers on road safety awareness.

Decision

The Council **NOTED** the Scottish Fire and Rescue Service delivery and performance as contained within the Annual Report.

15. Regional and Rural Development Policies post Brexit Poileasaidhean Leasachaidh Roinneil agus Dùthchail às dèidh Brexit

There had been circulated Report No. HC/32/18 dated 27 August 2018 by the Director of Development & Infrastructure.

During discussion, Members raised the following issues:-

- Agriculture, Crofting and Land Management were hugely important to Highland as was inward migration;
- access to the European Union market was essential for Highland's produce given the distance involved;
- there was huge uncertainty for businesses and the economy, particularly those sectors relying heavily on subsidies. Consequently, there needed to be a replication of existing support, whether that support came from either the

Scottish or UK Government. Both Governments needed to step up to fill the void but the Highland Council also needed to be clear as to exactly what it wanted and for this to be communicated to all Members;

- Regional policy was very important for the Highlands and Islands and therefore it was important to work collaboratively across all political parties and all local authorities and public agencies involved;
- meetings had been held with Lord Duncan, Parliamentary Under Secretary of State in the Scotland Office, and Mike Russell, Cabinet Secretary for Government Business and Constitutional Relations, the outcomes of which were outlined;
- a Members' BREXIT Seminar was scheduled for October. Whilst there was considerable merit for this, given the complexity of the issue, a clear steer from the UK and Scottish Governments as to future proposals was still needed;
- calls were made for a meeting of the BREXIT Working Group to be held given the need to identify post-BREXIT lobbying, potential risks and to ensure all opportunities were maximised. It was vital that the Highland Council prepared modelling on all likely implications;
- there were potential difficulties as a result of BREXIT in recruiting and retaining staff. As a result, the public sector needed to look at workforce planning so it was in a position to defend itself and to be in a position of power;
- there were reports that a "hard" BREXIT would hit the Scotland's GDP by 9%;
- calls were made for the Leader to take a lead. In response, the Leader acknowledged the threats but also emphasised the need to maximise opportunities and to look positively to the future. The forthcoming Highlands and Islands Leaders' meeting would enable a common position on Regional policy to be adopted, an approach which Lord Duncan had suggested would have more chance of success;
- there were potential implications to the Council's Harbours' in terms of fuel sales and landing and harbour dues, depending on if the French and Spanish boats were using UK quotas;
- in recent years there had been a growing centralisation of the funding process. It was therefore essential to reverse this and get back as much power devolved as possible;
- even if the UK had voted to remain in the EU the existing structure of European funding would have changed.

The Council **APPROVED** Appendices 1-4 within the report as policy statements to inform Council lobbying post Brexit.

16. Highland Health & Social Care Annual Performance Coileanadh Bliadhnaile Slàinte & Cùram Sòisealta na Gàidhealtachd

Declaration of Interest – Mr A Christie declared a financial interest in this item as a Non-Executive Director of NHS 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.

There had been circulated Report No. HC/33/18 dated 22 August 2018 by the Director of Care and Learning.

During discussion, Members raised the following issues:-

- although the Annual Performance Report would also be considered by the Care, Learning and Housing Committee, it was important that the Council also considered it given its importance;
- the Performance Report provided an opportunity for Members to become more involved;
- a Joint Improvement Plan for Adult Services was being prepared by NHS Highland and Highland Council and the priority had to be ensuring a decent spread of provision across Highland;
- the Joint Improvement Plan was an opportunity for the Council to outline the services it wanted to see provided. It was important that the Council was clear on its expectations, outcomes and how and when it would be delivered. There would be money associated but essentially there needed to be shift in the balance of care from acute into primary services to avoid admissions to hospital;
- this was a huge issue given the increase in life expectancy and the elderly population and a Seminar on the proposed Joint Plan would increase Members' awareness. At the Seminar it was important NHS Highland Board Members and clinicians were involved; and
- assurances were sought that the financial difficulties currently being experienced by NHS Highland would not put a strain on the delivery of services. In this regard, it was important to remember that Highland Council had a responsibility to protect staff and clients.

The Council **NOTED** the terms of the Annual Performance Report as circulated.

17. Consultation on the Review of the Structure of the Scottish Local Government Pension Fund Sgeama Peinnsein – Co-chomhairle

There had been circulated Report No. HC/34/18 dated 27 August 2018 by the Depute Chief Executive/Director of Corporate Resources.

During discussion, Members raised the following issues:-

- 4 options had been considered by the Council's Pensions Committee, namely, retain the current structure with 11 funds; promote cooperation in investing and administration between the 11 funds; pool investments between the 11 funds; and merge the 11 funds into one or more new funds. In determining a proposed response, it was important to bear in mind that the Council's Pension Fund was in a unique position of being fully funded and this should not be put in jeopardy. Consequently, the Pensions Committee had determined the first option was the appropriate one;
- Derek MacKay, Cabinet Secretary for Finance, Economy and Fair Work, was keen for Pension Funds to be used to invest in infrastructure projects across Scotland. Whilst this proposal had merits, a global view had to be adopted to ensure any investment ensured a positive return. At some point the Fund might choose to follow this path but the decision to do so had to remain with the Highland Council;
- it would be unwise to merge well-performing funds with ones performing less favourably;
- as Trustees of the fund, the long term objective of the fund was to achieve the best rate of return possible and to act in the best interests of scheme members;
- some proposals had an undercurrent of centralisation; and
- the Fund Managers were commended for their success management of the Fund which had performed excellently.

Decision

The Council:-

- i. **NOTED** the Highland Council Pension Fund's proposed response; and
- ii. **AGREED** that the Highland Council, as a participating employer, should also provide a separate response.

18. Senior Staff Recruitment Panel
Pannal Fastaidh Àrd-Luchd-obrach

It was proposed that in future the recently appointed Senior Staff Recruitment Panel should be responsible for future appointments at Director level and above.

This Panel comprised the Convener, Leader, Depute Leader, Chair of the Corporate Resources Committee, Chair of the Care, Learning & Housing Committee, Chair of the Environment, Development & Infrastructure Committee, Leader of the Labour Group, Leader of the Opposition, Mr A Jarvie and Mr R Laird.

Looking ahead, it was suggested that, rather than have specifically named representatives, the Panel comprise the Leader of the Scottish Conservative Group and a representative from the SNP Group. However, in the interests of consistency, for the appointment of the Chief Executive, Mr Laird should continue as a Member of the Panel.

Decision

The Council:-

- i. **AGREED** the proposal that in future the recently appointed Senior Staff Recruitment Panel should be responsible for future appointments at Director level and above;
- ii. **NOTED** that the Panel comprised the Convener, Leader, Depute Leader, Chair of the Corporate Resources Committee, Chair of the Care, Learning & Housing Committee, Chair of the Environment, Development & Infrastructure Committee, Leader of the Labour Group, Leader of the Opposition, Leader of the Scottish Conservatives Group and Mr R Laird; and
- iii. **NOTED** that Mr R Laird would continue in this role during the appointment process for the Chief Executive but thereafter the SNP Group would appoint a new Member to the Panel.

19. Review of Standing Orders Relating to the Conduct of Meetings
Ath-sgrùdadh air Òrdughan Seasmhach a' Buntainn ri Stiùireadh Choinneamhan

There had been circulated Report No. HC/35/18 dated 28 August 2018 by the Head of Corporate Governance.

Prior to debate the Convener highlighted an error to Members and clarified that, in terms of proposed amendments to Standing Orders (SO) detailed in the Appendix to the report, referring in particular to SO 11 and 12, there would be no limit to the number of questions allowed for each Council meeting but the intention was for Motions to be restricted to 5.

During discussion, Members raised the following issues:-

- referring also to the videoconferencing protocol, it was acknowledged that Members could be called away on Council business. However, it was important that if they were tabling a Motion or expecting to ask a Supplementary Question, they should either be present at the meeting or make use of the Council's videoconferencing facilities, a view with which Members concurred;
- it was suggested that consideration should be given to limiting the length of introductions to reports, bearing in mind that Members will have read their papers; and
- although the recording of Members' attendance at meetings both in the morning and afternoon was welcomed, there were some concerns highlighted in relation to a number of other changes and for which alternatives were suggested.

In terms of Standing Order 32.3 the Council **AGREED** that the following votes on proposed changes, being taken individually, be by a show of hands.

a. SO 11

As a **MOTION**, Ms M Smith, seconded by Dr I Cockburn, moved that the restriction limiting a Member only being able to submit only **one** written, relevant and competent question to the Leader of the Council, Depute Leader of the Council or Chair of a Committee, for consideration at an ordinary meeting of the Council – be removed.

As an **AMENDMENT**, the Convener, seconded by Mrs M Davidson, moved the proposed change to the Standing Order as detailed in the report.

On a vote being taken, the **MOTION** received 23 votes and the **AMENDMENT** received 21 votes, and the **MOTION** was therefore **CARRIED**.

b. SO 12

As a **MOTION**, Ms M Smith, seconded by Dr I Cockburn, moved that the restriction limiting the number of Motions to 5 - be removed.

As an **AMENDMENT**, the Convener, seconded by Mrs M Davidson, moved the number of Motions be restricted to 5, as per the Convener's introductory remarks concerning the proposed change to the Standing Orders.

On a vote being taken, the **MOTION** received 17 votes and the **AMENDMENT** received 31 votes, and the **AMENDMENT** was therefore **CARRIED**.

c. SO 12 contd

As a **MOTION**, Ms M Smith, seconded by Dr I Cockburn, moved that the requirement for Members to speak at the meeting in accordance with the order of the signatures on the Notice of Motion be removed.

As an **AMENDMENT**, the Convener, seconded by Mrs M Davidson, moved the Standing Order as it related to the order of speeches as detailed in the report.

On a vote being taken, the **MOTION** received 23 votes and the **AMENDMENT** received 25 votes, and the **AMENDMENT** was therefore **CARRIED**.

d. SO12 contd

As a **MOTION**, Ms M Smith, seconded by Dr I Cockburn, moved that the Head of Corporate Governance alone should rule on issues of competency of Motions.

As an **AMENDMENT**, the Convener, seconded by Mrs M Davidson, moved the Standing Order insofar as the Convener, in conjunction with the Head of Corporate Governance would rule on issues of competency.

On a vote being taken, the **MOTION** received 25 votes and the **AMENDMENT** received 22 votes, and the **MOTION** was therefore **CARRIED**.

e. SO19

As a **MOTION**, Ms M Smith, seconded by Dr I Cockburn, moved that a Member moving a Motion or Amendment will not speak for more than 10 minutes (*as opposed to the suggested 5*).

As an **AMENDMENT**, the Convener, seconded by Mrs M Davidson, moved the proposed changes to the Standing Order as detailed in the report.

On a vote being taken, the **MOTION** received 23 votes and the **AMENDMENT** received 28 votes, and the **AMENDMENT** was therefore **CARRIED**.

Decision

The Council **AGREED** the proposed amendments to Standing Orders as detailed in the report subject to the following changes:-

- the status quo should be retained in relation to Questions i.e. there should be no limit on the number of questions which a Member could submit to a meeting;
- the number of Notices of Motion should be restricted to 5 for any meeting in future;
- issues of competency in relation to Notices of Motion should be determined by the Head of Corporate Governance; and
- in future, Supplementary Questions or the tabling of a Motion for Council would only be dealt with from Members either in the Chamber or on video-conference.

20. Review of the Scheme of Delegation and Administration to Committees and Sub Committees and to Officers

Ath-sgrùdadh air an Sgeama Thiomnaidh agus Rianachd do Chomataidhean agus Fo-Chomataidhean agus do dh'Oifigearan

There had been circulated Report No. HC/36/18 dated 21 August 2018 by the Head of Corporate Governance.

Decision

The Council **AGREED** the proposed amendments to the Scheme of Delegation as detailed in the report.

21. Review of Webcasting and Videoconferencing Protocol

Ath-sgrùdadh air Pròtacalan Craoladh-lìn agus Cho-labhairtean Bhidio

There had been circulated Report No. HC/37/18 dated 21 August 2018 by the Head of Corporate Governance.

Decision

Following the discussion which had taken place earlier in the meeting, the Council **AGREED**:-

- i. incorporating the decision reached under Item 19, the proposed amendments to the Videoconferencing Protocol as detailed in the report; and
- ii. that there was no requirement for any further change to the Webcasting Protocol at this time.

22. Timetable of Meetings for 2019
Clàr-ama Choinneamhan airson 2019

There had been circulated Proposed Timetable of Meetings for 2019 for approval.

Decision

The Council **AGREED** the proposed Timetable for Meetings in 2019.

23. National Scale Planning Application – Auchteraw Substation
Iarrtas Dealbhaidh Sgèile Nàiseanta – Fo-stèisean Uachdarath

It was **NOTED** that the following and forthcoming National Scale Planning Application would required to be determined by the full Council –

Application Ref/Applicant: 18/00760/FUL/Scottish & Southern Electricity Networks;

Description: Extend Substation, creation of two platforms in phases, for gas insulated substation buildings, plant, access tracks, associated landscaping and other ancillary equipment;

Location: Land 325M SW of Whitebridge Cottage, Auchteraw, Fort Augustus;

Ward 12 – Aird and Loch Ness.

Decision

The Council **AGREED** that a Site Visit would not be necessary in advance of determination of the above application by the full Council on the basis that drone footage would be used as an alternative.

24. Deeds Executed
Sgrìobhainnean Lagha a Bhuilicheadh

It was **NOTED** that a list of deeds and other documents executed on behalf of the Council since the meeting held on 28 June 2018 was available in the Members' Library and on the Council's Website.

The meeting ended at 5.35pm.

The Highland Council

Minutes of Meeting of the **Nairnshire Committee** held in the Chamber, The Court House, High Street, Nairn on Wednesday 12 September 2018 at 10.30 am.

Present:

Mr L Fraser
Mr T Heggie

Mrs L MacDonald
Mr P Sagers

In attendance:

Ms L Cowie, Ward Manager, Nairn and Badenoch and Strathspey
Mr R Porteous, Roads Operations Manager, Community Services
Mr R MacLeod, Principal Housing Officer, Community Services
Mr J Henderson, Housing Investment Officer, Community Services
Mr S Taylor, Administrative Assistant, Chief Executive's Office

Also in attendance:

Mr S Noble, Green Hive, (Item 4)
Acting Inspector C Johnstone, Police Scotland (Item 5)

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 T Heggie in the Chair

Preliminaries

Prior to the commencement of the formal business, the Chair advised that the press would be allowed to record the meeting since it was a committee meeting held in public and was not webcast.

Business

1. Apologies for Absence Leisgeulan

There were no apologies for absence.

2. Declaration of Interest Foillseachaidhean Com-pàirt

The Committee **NOTED** the following Declaration of Interest:-

Item 9 – Mr L Fraser (non-financial)

3. Recess Powers Cumhachdan Fosaidh

The Committee **NOTED** that the recess powers granted by the Council at its meeting on 28 June 2018 did not require to be exercised in relation to the business of the Nairnshire Committee.

Additional Urgent Item: Member Appointments – Nairn Business Improvement District (BID) Board

The Ward Manager advised the Committee that the Council had been approached by the Nairn Business Improvement District (BID) with regard to the appointment of a Member to the Nairn BID Board which was currently being formed following the successful vote for creation of a BID for Nairn. It was confirmed that as the Board was currently being formed, the next Committee meeting in November would be too late to take this nomination and it had been considered appropriate to take this at area committee level in recognition of this development in Nairn. The Committee was therefore asked to propose a Member to be the Council's representative on the Board.

Having duly been nominated by Mrs L MacDonald and seconded by Mr L Fraser, the Committee **AGREED** to appoint Mr P Saggars to the Board of Nairn Business Improvement District (BID).

4. Presentation – Green Hive Taisbeanadh – Green Hive

A presentation was made by Mr Simon Noble of Green Hive providing an overview of the organisation and its aims and objectives with regard to local environmental issues, community engagement, sustainable development and employability. During the presentation, Mr Noble explained that the aim of the organisation was to enhance Nairn's environment by reducing and recycling waste; promoting food growth; turning local people's ideas into action; making a lasting social and economic impact; the creation of job and volunteer opportunities and learning and education opportunities. The presentation also included information on specific activities and projects undertaken by Green Hive within Nairn and provided a summary of events currently scheduled to take place over the next two months. In addition, further information was provided on potential income generating waste reduction projects, such as wood and plastic recycling and mushroom growing, during which, it was highlighted that in seeking funding for these projects, there was potential for collaboration with local organisations and the creation of employment and work placement opportunities.

In discussion, the following key points were raised:-

- Further information was provided on the mushroom growing project, during which it was explained that this involved growing mushrooms in discarded coffee grounds;
- Further information was also provided on Green Hive's involvement with local schools, during which it was highlighted that Green Hive had established a strong relationship with Millbank School and the Youth Forum and was seeking to further develop its connection with Nairn Academy;
- In highlighting a gap in the market for environmental projects in Nairn, the potential for Green Hive to work with Nairn Business Improvement District (BID) was suggested;
- Further information was provided on the establishment of wildflower meadows, during which it was explained that, whilst it did not specifically form part of Green Hive's strategy, there was potential to establish these in areas of land around Nairn, including around the LochLoy development area and the electricity substation at Mill Road;

- It was confirmed that the site at Mill Road was owned by one of the electricity companies and that the potential to establish a wildflower meadow at this site should be pursued through dialogue with the owners;
- In regard to the potential for Green Hive to expand its projects into the wider local area outwith Nairn, it was confirmed that this could be difficult as the development officer only worked two days a week and resources were spread thin; however, an opportunity had been identified to undertake a litter pick and beach clean near Ardersier on the Whiteness peninsula;
- In highlighting the current trend for green living, it was suggested there was an opportunity for the Council to continue discussions with Green Hive regarding the provision of resources and assistance to support projects being undertaken;
- In welcoming the promotion of volunteer work by Green Hive, the potential to work with other groups and partners was highlighted; and
- It was suggested that a link-up between the Council's Tenant Participation Officer and Green Hive could help to raise awareness of the forthcoming event in the Queenspark Gardens to tenants within the surrounding area.

Having thanked Mr Noble, the Committee **NOTED** the presentation and the information given and that the Ward Manager would provide contact details of the Council's Tenant Participation Officer to Green Hive.

5. Police Scotland – Area Performance Summary Poileas Alba – Geàrr-chunntas Dèanadais Sgìreil

i. 1 April 2017 – 31 March 2018

There had been circulated Report No N/10/18 dated 28 August 2018 by the South Highland Area Commander.

In discussion, the following points were raised:-

- Concern was expressed that the figure of 141 missing persons which had been reported in the South Highland area during the period was relatively high and that of this figure, 72% of investigations were in relation to missing children and missing looked after children;
- The importance of providing care and protection at an early stage to help prevent vulnerable children from feeling that they had to go missing was emphasised;
- Whilst the figures in relation to missing persons were not disproportionately high in comparison to other areas of the Highlands, it was important to acknowledge that missing persons was an issue in the area;
- An increase in detection rates of a number of specific crime activities could be related to the amount of resources assigned in those cases and further information was sought, and received, regarding the specific types of crime in which the Force had increased its support; and
- Joint patrols which had been undertaken with the Fire Service around Nairn beach during the autumn had made a positive contribution in preventing antisocial behaviour.

The Committee **NOTED** and scrutinised the progress report against the objectives set within the Highland and Islands Local Policing Plan 2017-20 Year 1, attached as Annex A to the report, for the period covering 1 April 2017 - 31 March 2018.

ii. **1 April 2018 – 30 June 2018**

There had been circulated Report No N/11/18 dated 28 August 2018 by the South Highland Area Commander.

In discussion, the following points were raised:-

- With regard to the previous report, concern was again expressed that the figure of 46 missing persons which had been reported in the South Highland area during the period was relatively high and that of this figure, 26% of investigations were in relation to missing children and missing looked after children;
- Further information was provided in relation to reports of antisocial behaviour at the skate park, during which reassurance was provided that an officer was specifically allocated to antisocial behaviour and that officers in general were able to provide assistance when this type of crime was reported; and
- In highlighting that there were currently no antisocial behaviour orders in place in Nairn, further information was sought, and received regarding current demands on officers.

The Committee **NOTED** and scrutinised the progress report against the objectives set within the Highland and Islands Local Policing Plan 2017-20 Year 2, attached as Annex A to the report, for the period covering 1 April 2018 - 30 June 2018.

**6. Nairn Common Good Fund – Quarter 1 2018/19 Monitoring Report
Maoin Math Coitcheann Inbhir Narann – Aithisg Sgrùdaidh Cairteil 1 2018/19**

There had been circulated joint report No N/12/18 dated 30 August 2018 by the Director of Finance and Inverness City Manager.

In speaking to the report, the Ward Manager confirmed that the annual audited accounts would be presented to the Committee at its next scheduled meeting in November.

The Committee **NOTED** the position of the Nairn Common Good Fund, as shown in the Quarter 1 2018/19 Monitoring Statement against budget.

**7. Annual Area Capital Report
Aithisg Bhliadhnaì Chalpa Sgìre**

There had been circulated Report No N/13/18 dated 6 August 2018 by the Depute Chief Executive and Director of Corporate Services.

In discussion, the following points were raised:-

- In relation to the Vacant and Derelict Land Fund, the results of an inspection which had been undertaken at Kingsteps Quarry had come back as clear;

- The allocation of £58k towards capital repairs and environmental works in Nairn was welcomed;
- The one-off property purchase in Nairn listed under the section headed New Builds should read “property purchases in Nairn”, as it was in regard to more than one property;
- In welcoming an increase in expenditure from £209k to £297k on roads, the problems currently experienced across the whole Highland area regarding the state of roads and the insufficient level of funding available to maintain their current condition were emphasised;
- Work currently being undertaken in relation to the replacement of White Bridge was welcomed;
- In welcoming the conclusion of works at Nairn Harbour in relation to dredging and the resolution of issues which had been encountered, it was highlighted that work was now progressing with the installation of traffic calming measures at the harbour in response to queries from the public;
- In relation to Nairn Academy, it was highlighted that, whilst efforts were being made to progress with this development, opportunities to seek funding at a national level were limited and therefore monies that had previously been considered available might not be available in the immediate future;
- In response to a question regarding the cost of the biomass boiler at Rosebank Primary School, the Ward Manager gave an undertaking to convey this to the Council’s property and energy departments and would ask them to provide a response to Members clarifying the cost; and
- A query was also raised regarding the Council House build at 7 High Street, Nairn.

The Committee **NOTED**:-

- i. expenditure on each project in this Council area in 2017/18;
- ii. the budget for each project in this Council area in 2018/19; and
- iii. that the Ward Manager would convey a question raised during discussion regarding the cost of the biomass boiler at Rosebank Primary to the Council’s property and energy departments.

8. Housing Revenue Account Capital Programme 2019-2021 Prògram Calpa Cunntas Teachd-a-steach Taigheadais 2019 2021

There had been circulated Report No N/14/18 dated 9 August 2018 by the Director of Community Services.

During discussion, it was suggested that, in relation to environmental improvements, community councils should be asked if they had encountered any problems around council housing in their area and that any issues or suggested improvements could then be taken forward by Members for discussion with housing officials.

The Committee:-

- i. **NOTED** the allocation of resources to the Nairnshire Area as set out in Appendix 1 to the report;
- ii. **NOTED** the investment priorities as set out in section 4.2 of the report;
- iii. **AGREED** the proposed two year HRA Capital Programme for Nairnshire 2019-21 as set out in Appendix 2 to the report; and

- iv. **NOTED** that updates on the Housing Revenue Account Capital Programme would continue to be provided through Ward briefings and at Local Committees as requested by local Members, in addition to reporting to the Environment, Development and Infrastructure Committee.

**9. Housing Performance Report – 1 April 2018 to 30 June 2018
Aithisg Dèanadais Taigheadais – 1 Giblean 2018 gu 30 Ògmhios 2018**

Declaration of Interest: Mr L Fraser declared a non-financial interest in this item as a Sub-Contractor for the Housing Service in Nairn but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that his interest did not preclude his involvement in the discussion.

There had been circulated report No N/15/18 dated 12 September 2018 by the Director of Community Services.

During discussion, the following points were raised:-

- In relation to low turnover and large waiting lists for housing in Nairn, it was requested that further information be provided within future reports regarding overall housing demand in Nairn;
- It was also requested that further information be provided within future reports regarding rental income and expenditure in Nairn;
- It was highlighted that there were opportunities for the Council to purchase back council houses when they became vacant;
- In welcoming the low figures in relation to rent arrears, the impact of universal credit on tenants was emphasised and, following a request, further information was provided on how the service dealt with this as part of its overall business;
- Further information was provided on the process for reporting and resolving antisocial behaviour (ASB) cases, during which it was confirmed that all cases were identified on performance indicators until they were closed; and
- In welcoming the report, the Committee commended housing staff in Nairn for their work which encompassed many different areas and people with a range of needs.

The Committee **NOTED** and scrutinised the information provided on housing performance for the period 1 April 2018 to 30 June 2018.

**10. Nairn Winter Maintenance Plan for 2018/19
Plana Obair-gleidhidh Geamhraidh Inbhir Narann airson 2018/19**

There had been circulated Report No N/16/18 dated 27 August 2018 by the Director of Community Services.

During discussion, the following points were raised:-

- It was highlighted that under the priority routes identified for the Nairn area, 51% of roads came under the “other” category and concern was expressed that a significant proportion of the road network in Nairn might not be immediately treated during events of bad winter weather;
- Following a request for further information, during which it was confirmed that salt bins in the area would be filled imminently in preparation for the winter weather, it

was emphasised that communities could take the initiative and help themselves during the winter weather;

- Further information was provided on the treatment of car parks, during which it was confirmed that car parks were gritted in relation to their location within the identified priority routes table; and
- It was emphasised that staff would be on standby to treat roads during winter weather and that the situation would continue to be monitored.

The Committee **APPROVED** the Winter Maintenance Plan for the Nairn Area for 2018/19, which was in accordance with report EDI/57/18, and included the priority road maps presented in Appendix B to the report, noting amendments in paragraphs 3.5, 8.2 and 12.3 of the report.

11. Minutes of Previous Meeting Geàrr-chunntas

There had been circulated and were **NOTED** Minutes of Meeting of the Nairnshire Committee held on 13 June 2018, which had been approved by the Council on 28 June 2018.

The meeting concluded at 11.55 am.

The Highland Council

Minutes of Meeting of the **Audit and Scrutiny Committee** held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on Thursday, 20 September 2018 at 10.30am.

Present:

Mr G Mackenzie	Mr C Fraser
Mr P Saggars	Mr L Fraser
Mr G Adam	Mr T Heggie
Mr R Balfour	Mr D Louden
Mrs J Barclay	Mr S Mackie
Mr B Boyd	Mrs A Maclean
Mr R Bremner (by VC)	Mr D Macpherson
Mr J Bruce	Mrs B McAllister
Miss J Campbell	Ms L Munro (substitute)
Mr A Christie	Ms P Munro (substitute)
Mr G Cruickshank	Mrs M Paterson
Mrs M Davidson	

Non-Members also present:

Mr B Lobban
Mr D Mackay

Officials in Attendance:

Mr D Yule, Depute Chief Executive/Director of Corporate Resources
Mr S Black, Director of Development & Infrastructure
Ms E Johnston, Corporate Audit & Performance Manager
Miss D Sutherland, Corporate Audit Manager
Mr E Foster, Head of Corporate Finance & Commercialism
Mr S Fraser, Head of Corporate Governance
Ms S Campbell, Head of Children's Services
Mr A Maguire, Head of Development & Regeneration
Mr S Carr, Corporate Performance Manager
Ms S McKandie, Benefits & Welfare Manager
Mr M Bailey, Project Manager
Mr E Boyd, Energy & Sustainability Manager
Mr M Mitchell, Finance Manager
Mrs L Dunn, Principal Administrator
Ms A Macrae, Committee Administrator

Also in attendance:

Mr J Boyd, Senior Manager, Grant Thornton

**An asterisk in the margin denotes a recommendation to the Council.
All decisions with no marking in the margin are delegated to Committee.**

Mr G Mackenzie in the Chair

**1. Apologies for Absence
Leisgeulan**

Apologies for absence were intimated on behalf of Mrs H Carmichael, Mr R Laird, Ms M Smith and Mrs K Stephens.

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

There were no declarations of interest.

**3. Recess Powers
Cumhachdan Fosaidh**

The Committee **NOTED** that the Recess Powers granted by the Council at its meeting on 28 June 2018 had not been exercised in relation to the business of this Committee.

At this point, the Chair paid tribute to Mr R Laird for his thoughtful, incisive and inclusive approach during his time as Chair and looked forward to his participation in the Committee going forward.

**4. Good News Stories
Naidheachdan Matha**

Having expressed congratulations, the Committee **NOTED** that Mrs Yvonne Holmes, Assistant Auditor, had become a Chartered Internal Auditor (CMIIA) with the Chartered Institute of Internal Auditors following successful completion of her final exams.

**5. Internal Audit Reviews and Progress Report
Ath-bhreithneachaidhean In-sgrùdaidh agus Aithisg Adhartais**

There had been circulated Report No. AS/11/18 dated 11 September 2018 by the Corporate Audit Manager which summarised the final reports issued since the date of the last meeting, together with details of work in progress and other information relevant to the operation of the Internal Audit Section listed below.

The Chair advised that due to a resignation a vacancy would arise in the Internal Audit Team later in the year and therefore it was important for pressure to continue to be exerted to have the Team fully staffed going forward.

- Care & Learning – Review of the Administration and Payments in Respect of Fostering Adoption and Kinship Care (Substantial Assurance)

In discussion, clarification was sought and provided as to the reason why two debtor invoices issued to recover overpayments had been written off. It was explained the most likely reason was to avoid any financial hardship to the carers depending on their personal financial circumstances and therefore any impact on the children within their care. In response, it was suggested that in addition to the process around overpayments there were wider issues in terms of the adequacy of payments and the demand for foster carers that required to be considered. The Chair provided an assurance that both these matters would be investigated by the Service.

An update was then provided on the ongoing Lean review and measures included in the action plan to reduce the number of overpayments and identify any potential issues at an earlier stage including the introduction of a quarterly reporting system for foster and adoption payments.

Following on from the above, concern was expressed at the additional workload created for staff as a result of technical issues arising from how the Integra and CareFirst systems interfaced. In response, it was confirmed that a wider piece of work was being undertaken by ICT and Wipro to review how the separate systems in use across the Council interacted and this specific issue would be picked up as part of that review.

- Care & Learning – Review of School Funds (Reasonable Assurance)

In discussion, it was suggested that the word '*guidance*' should be replaced with '*instructions*' in the information to be issued to schools to reinforce the point that this was mandatory.

Further comments, included the need to review the current system to provide more support to the smaller rural schools in relation to banking procedures. The Head of Children's Services advised that some of these issues would be addressed in the long term through the Sustainable Education Programme which was considering the administrative support provided to schools. In the short term she would arrange for the issues raised in respect of rural schools to be considered in more detail.

Thereafter, concern was expressed at the significant number of schools which as at May 2018 had not submitted their audited accounts for review within the required timescale. In response, Members were advised that currently there were only two schools yet to submit audited accounts and there were valid reasons for the delay. Instructions had recently been issued to all schools in relation to the requirements for accounts to be audited and returned on time and staff would continue to follow up on this matter. If there were particular concerns in relation to individual schools there was also the option for audit staff to go out and visit those schools.

The Committee **AGREED** the word '*guidance*' be replaced with '*instructions*' in the information issued to schools.

- Corporate Resources – Use of Purchase Cards (Reasonable Assurance)

In discussion, Members raised the following key issues:-

- clarification was sought and provided on the timescale for issuing the updated User Reference Guidance for purchase cards.
- the fact a quarter of the 20 cards sampled were not compliant with the policy was a serious matter particularly given the level of overall expenditure involved;
- concern that cards could be applied for and obtained without the knowledge of a senior manager in the Service and that not all cardholders required a card and the need for early action to be taken to address these matters;

- the proposed sanction of removing purchase cards from those cardholders not following procedures was not considered to be sufficient;
- concern at the average level of spend on each card and the fact there was no higher level of scrutiny of card purchases to ensure the purchases were necessary for Service delivery. The proposed action that card holders should enter a narrative for each purchase was not considered to be sufficient to address this issue and there was a need for more in depth scrutiny of this matter;
- cardholders should be required to formally acknowledge that they had received and read the User Guide and would comply with the policy;
- it was suggested that the word '*guidance*' should be replaced with '*instructions*' in the User Guide to be issued to card holders, officers and card controllers. The Finance Manager confirmed that this would be taken forward;
- concern at the level of unclaimed VAT being lost to the Council, the fact it was not realistic to expect the full amount to be recovered and at the additional workload involved for staff and the need for early action to be taken to ensure that the relevant receipts were in place in future; and
- in terms of value for money, the potential for the card provider to be paid commission to reclaim VAT on behalf of the Council be investigated.

The Chair requested that in view of the range of concerns expressed by Members a follow up report be submitted to the Committee at the appropriate time.

The Committee **AGREED** that a follow up report be submitted to the Committee and that the potential for the card provider to reclaim VAT on behalf of the Council be investigated

- Corporate Resources – Review of IT Controls Surrounding Payments to Creditors (Reasonable Assurance)

The Chair reported that the Corporate Audit Manager had confirmed that a list of acronyms would be provided to accompany future reports.

Members commented that in terms of the system limitations and compatibility highlighted in the report it had been confirmed earlier in the meeting that a review was being undertaken by ICT and Wipro in relation to this issue. In addition, clarification was sought on who controlled the generic user names which had the highest level of access, confirmation being provided that this was the Head of Corporate Finance and Commercialism's responsibility.

- Corporate Resources – Review of ICT Projects (Reasonable Assurance)

In discussion, there was a request that on completion of the review of the Project Management Policy, further training sessions be arranged for Members. It was also requested that to improve scrutiny, future ICT project update reports to Members include information on the percentage of project completed and percentage of project spend.

The Committee **AGREED** that further training sessions be arranged for Members and that future ICT project update reports to Members include information on the percentage of project completed and percentage of project spend.

- Development & Infrastructure – Affordable Housing (Substantial Assurance)

In discussion, the positive audit report of ‘substantial assurance’ was welcomed as a good news story and the relevant staff commended on the audit opinion achieved. In terms of the action plan, it was suggested that the annual capital project report to Local Committees was inadequate and there was a need for further discussions as to how the Housing Team could report more on housing developments within their areas to ensure local Members were fully informed. It was confirmed the intention was to formally report to Local Committees on the developments completed in the financial year and the proposed programme for future years.

Thereafter, it was highlighted that in some areas the infrastructure was not in place to allow for more house building, with specific reference to the Dingwall and Seaforth ward. Further points raised included the potential to speed up the process for the compulsory purchase of derelict properties in the area, the opportunities for more land to be allocated for housing and for any planning constraints in this regard to be considered. In response, it was reported there had been positive discussions with the Scottish Government in relation to funding for additional infrastructure costs. The Housing Development Team worked closely with Planning colleagues to push forward housing developments and traffic modelling was being undertaken in this area. The reality was that there was a limitation of economically deliverable land in the Highlands and this was the challenge going forward.

- Development & Infrastructure – Compliance with the Carbon Reduction Commitment Energy Efficiency Scheme 2016-17 (Limited Assurance)

The Corporate Audit Manager reported that it had been agreed with the Chair that the audit report covering the reporting period 2017/18 would be submitted to the Committee in March 2019.

The Director of Development & Infrastructure apologised to the Committee for the audit opinion of limited assurance for the third year running, and provided an assurance that this would not be repeated going forward. In terms of the action plan, he reported that the two high level priorities had been completed and work was ongoing on the medium priorities, and it was the intention to complete the Lean review by the end of the year. He advised that the complexity of the scheme was one reason why it was due to be abolished at the end of the current financial year and replaced with the Climate Change Levy.

In response to a question, it was confirmed that the spend on the allowances had exceeded the budget of £0.5m by £5,000. The CRC allowances purchased in 2016/17 had been overestimated but it was reported these could be offset against the current year’s figures.

In discussion, Members expressed their disappointment with the audit report and the non-compliance with the main requirements of the scheme over a period of three years, and emphasised the importance of this not being repeated for a fourth year. The Leader undertook to write to the Director of Development and Infrastructure asking him to review the processes, management and scrutiny of this area of work. It was also suggested that the complexities of the scheme should be recognised on this particular issue, reference being made to the range of good work the Team delivered.

The Committee **AGREED** that the Leader write to the Director of Development and Infrastructure on this matter.

Thereafter, the Committee **NOTED** the Final Reports referred to in Section 3.1 to the report and:-

- i. **APPROVED** the addition of an audit to the 2018/19 Audit Plan as detailed at Section 5.1; and
- ii. **NOTED** the current work of the Internal Audit Section.

6. Scottish Public Services Ombudsman (SPSO) Annual Report on the Scottish Welfare Fund Independent Review Service 2017/18
Ombudsman Seirbheis Phoblach na h-Alba Ath-sgrùdadh Neo-eisimeileach Maoin Sochair na h-Alba 2017/18

There had been circulated Report No. AS/12/18 dated 7 September 2018 by the Depute Chief Executive/Director of Corporate Resources.

The Committee commended the Council's Teams for delivering an outstanding level of service to those most vulnerable in the community, and asked that Members appreciation of this work be communicated back to the relevant staff. The Revenue and Customer Services Team was also commended on its contribution in proactively helping to shape the Scottish Welfare Fund, and for leading by example at a national level, for example through the introduction of a free phone number. Members also recognised the importance of this work in maximising the incomes of those most in need and tackling poverty in the area.

Discussion then followed on how the Service Delivery Team raised awareness of the Scottish Welfare Fund and reached those most in need. It was explained that the Team was active with the CABx, third sector and a range of health, social work and education professionals who made referrals to the Team, and also was issuing key messages through the Council's website and on social media.

The Committee **NOTED**:-

- i. the Council's outstanding 100% performance for processing SWF applications within the statutory timeframes;
- ii. that from 6,130 SWF applications received by the Highland; Council, the SPSO received 17 valid requests for 2nd tier reviews (0.3%) and changed the Council's decisions in seven cases (0.1%);
- iii. that nationally the SPSO changed 87% of Council decisions at 2nd tier review whilst the change rate for Highland was much lower at 41%. Also, that the SPSO changed 33.4% of their own decisions upon reconsideration;
- iv. that the most common reason for changing a decision was that the new information became available after the original decision; and

v. the pivotal role undertaken by Officers as per paragraph 11.3 within the report.

**7. Regulation of Investigatory Powers (Scotland) Act 2000 (RIPSA)
Achd Riaghladh Chumhachdan Sgrùdaidh (Alba) 2000 (RIPSA)**

There had been circulated Report No. AS/13/18 dated 12 September 2018 by the Head of Corporate Governance.

The Committee **NOTED** the Council continued to be a modest user of the powers and that a further report would be forthcoming to the March 2019 meeting.

**8. Six Monthly Review of Corporate Risks
Ath-sgrùdadh Sia Miosail air Cunnartan Corporra**

There had been circulated Report No. AS/14/18 dated 27 August 2018 by the Depute Chief Executive/Director of Corporate Resources.

During discussion an update was sought and provided on those actions which had not been completed by their target date, and in particular around workforce planning on which there should be strong focus given the importance of having the right workforce to deliver services within a diminishing budget. In addition, an update on progress with specific risks under CR7 'Climate Change' and CR9 'Safe and Effective Property' was provided in terms of the target completion dates as set out in the report.

In response to a question, information was provided on the composition of the Member Budget Group which it had been established to progress both the revenue and capital budgets. It was reported that the Chair of the Group would be seeking to arrange a consultation and update session with the Opposition Groups in the near future.

Thereafter, it was queried whether a wish list had been compiled in terms of equivalent replacements for the range of existing European programmes given the loss of funding to the Highlands as a result of BREXIT. It was confirmed that a response from the relevant officer would be provided directly to Mr D Loudon on this matter.

The Committee **NOTED** the:-

- i. Corporate Risk Register provided at Appendix 1 and the risk profile at Appendix 2 to the report;
- ii. that six monthly reviews of the Corporate Risk Register would continue to be reported each March and September to the Audit and Scrutiny Committee.

**9. Scottish Public Service Ombudsman
Cùisean Ombudsman Sheirbheisean Poblach na h-Alba**

**a) Annual Report of Scottish Public Service Ombudsman (SPSO) Cases determined in 2017/18
Aithisg Bhliadhnail de Chùisean Ombudsman Seirbheis Phoblach na h-Alba air an dearbhadh ann an 2017/18**

There had been circulated Report No. AS/15/18 dated 10 September 2018 by the Chief Executive.

The Committee **NOTED** the outcomes of the SPSO cases which demonstrated an improvement overall in the Council's performance and the actions that had been taken in response to the Ombudsman's recommendations.

b) Cases Received by the Council Update Report
Cùisean air am Faotainn leis a' Chomhairle Giblean Aithisg Ùrachaidh

There had been circulated Report No. AS/16/18 dated 3 September 2018 by the Chief Executive.

The Committee **NOTED** the outcomes of the SPSO cases and the actions that had been taken in response to the Ombudsman's recommendations.

10. Audited Accounts 2017/18
Cunntasan Sgrùdaichte 2017/18

There had been circulated Report No AS/17/18 dated 11 September 2018 by the Depute Chief Executive/Director of Corporate Resources.

Members congratulated the Finance Team for their hard work and on achieving an unqualified set of accounts.

The Committee **APPROVED** the audited accounts for signature.

11. External Audit Reports
Aithisgean Sgrùdaidh bhon Taobh A-muigh

The following summarises the external audit reports prepared by the Council's External Auditors (Grant Thornton) issued since the last Audit and Scrutiny Committee:-

- (a) Annual Report 2017/18 to Elected Members and the Controller of Audit
- (b) Letter of Representation

During a presentation on the Annual Audit Report the approach adopted was summarised and, in terms of Key Messages, it was confirmed that the Audit Report on the Council's 2017/18 financial statements had been unqualified. This was also the same position for the two charitable trusts administered by the Council.

Key messages included information on issues in relation to the audit of financial statements, financial management, financial sustainability, pension scheme, governance and transparency and value for money.

In this regard, thanks were conveyed to the Depute Chief Executive and Director of Corporate Services and his staff for their help during the audit process.

In discussion, Members welcomed the strategic and useful nature of the External Audit report and its recognition of the significant financial challenges facing the Council. In terms of the recommendation around strategic leadership, while it was recognised this was a period of transition for the Council in relation to senior management posts, a new Chief Executive had been appointed and further appointments would follow. There was also a continued day to day focus on the challenges facing the Council from Members and officials.

In response to a question, it was confirmed that in terms of the Council being a going concern and managing public expectations, the Member Budget Team was considering a communication strategy by which key messages could be placed in the public domain on the financial challenges facing the Council and the proposals to address those challenges.

Discussion then followed on the Highland Pension Fund and issues around the current investment strategy and ethical debates in relation to the types of investments. It was suggested there was a need to consider the potential for a more innovative approach to be taken so that the Fund was used to invest in infrastructure which would stimulate the Highland economy whilst ensuring the return to the Pension Fund was not to the detriment of other types of investments and that the interests of Fund members was protected.

In regard to the suggestion of using the Pension Fund to invest in infrastructure such as housing, the Depute Chief Executive and Director of Corporate Resources explained that this already happened, albeit through property companies, which generated a rate of return on investment of approximately 10% but the Council could borrow to invest in infrastructure at a rate of approximately 3-4%. Therefore, it would be cheaper for the Council to borrow to finance such a development than to utilise the Pension Fund. However, he reminded the Committee that Members had a fiduciary duty to the scheme members to get the best return on investment. He stressed that the Pension Fund was not a free investment resource which could be utilised; investments had to deliver the best financial return for the fund. He further highlighted that any potential loss on investments could impact on the level of Employer fund contributions having to be increased which would be an additional cost to the Council revenue budget.

Thereafter, and having thanked the External Auditor for the work undertaken, the Committee **NOTED** the terms of the report and **APPROVED** the Letter of Representation for signature.

The meeting ended at 12.30pm.