

Highland Council Corporate Resources Committee

Minutes of Meeting of the **Commercial Board** held in Committee Room 2, Council Headquarters, Inverness on Wednesday 17 October 2018 at 2.00 pm.

Present

Mr G Adam
Mr G Cruickshank
Mr L Fraser
Mr R Gale

Mr J Gray
Mr D Louden
Mr P Saggars
Ms M Smith

Officials in attendance

Mr D Yule, Depute Chief Executive/Director of Corporate Resources
Mr W Gilfillan, Director of Community Services
Mr M Bailey, Principal Project Manager, Commercial & Efficiency Team, Corporate Resources Service
Mr M Kelly, Project Manager, Commercial & Efficiency Team, Corporate Resources Service
Mr M MacDonald, Project Manager, Commercial & Efficiency Team, Corporate Resources Service
Ms A Prior, Technical Business Analyst, Commercial & Efficiency Team, Corporate Resources Service
Mr A MacInnes, Administrative Assistant, Chief Executive's Service

An asterisk in the margin denotes a recommendation to the Corporate Resources Committee. All decisions with no marking in the margin are delegated to the Board.

MR G ADAM IN THE CHAIR

BUSINESS

1. Apologies for Absence

There were no apologies for absence.

2. Declarations of Interest

There were no declarations of interest.

3. Minutes of Last Meeting

There was circulated the Minutes of the last meeting held on 13 September, 2018 the terms of which were **APPROVED**.

4. Exclusion of the Public

The Board **RESOLVED** that under Section 50A(4) of the Local Government (Scotland) Act 1973 the public be excluded from the meeting on the grounds that the matter for discussion would involve the likely disclosure of exempt information as defined in Part I of Schedule 7A of the Act.

5. Commercial Programme 2019-2022

There was circulated a report dated 09 October 2018 by the Commercial & Efficiency Team that provided detail on the individual projects that should be progressed through the Commercial Programme, gave projections on future self-financing capital requirements, estimated levels of net income to be achieved and sequenced projects up to 2022. Consideration had also been given to major projects that would not be implemented until after 2022, but that preparatory work would need to start during the 2019 to 2022 time period.

It was noted that a Property Investment Fund business case would be submitted to the next meeting of the Board. In particular, it would be clarified whether there were any legal or financial constraints for the Council investing in property assets out with the Highland area.

Also, the potential for Government funding for Energy projects was discussed and the potential of match funding for these from European funds would be discussed with the Development and Infrastructure Service.

Following discussion, the Committee:-

- * i **AGREED** to recommend to Corporate Resources Committee approval of the 2019 to 2022 Commercial Programme; and
- ii **NOTED** that it would be clarified whether there were any legal or financial constraints for the Council investing in property assets out with the Highland area.

6. Culture Change

A presentation was made by the Commercial & Efficiency Team to highlight the opportunity and necessity for a greater emphasis on improvement across the organisation for it to become more commercially minded, and the specific action to be taken to secure this.

In particular, it was suggested that the new Chief Executive be invited to the next meeting of the Board.

It was requested that a list of other Local Authorities' commercial activities be circulated to the Board.

Following discussion, the Commercial Board **NOTED** the update and **AGREED** that the new Chief Executive be invited to the next meeting of the Board.

7. Commercial Property Investment Opportunities

There were no items reported in regard to this matter.

8. Programme Risks and Mitigating Actions

A presentation was made by the Commercial & Efficiency Team on risk management in terms of the Commercial Programme. Risk management would identify what the risks were in terms of the programme, their impact and how to manage those in a proactive way. Two risks were initially highlighted and mitigation measures on those risks would be submitted to the next meeting of the Board.

In particular a report would be submitted to the next meeting on the staff resources required for the Commercial & Efficiency Team in order to deliver the Commercial Programme.

It was also suggested that the Board at the next meeting should consider a budget for commercial activity including an income target that could feed into consideration of the Council's 2019/20 budget.

Following discussion, the Board:-

i **NOTED** that mitigation measures on an initial two risks to the Commercial Programme would be submitted to the next meeting of the Board;

ii **AGREED** that a report would be submitted to the next meeting on the staff resources required for the Commercial & Efficiency Team to deliver the Commercial Programme; and

iii **AGREED** that the Board would consider a budget for commercial activity and income target at their next meeting.

9. **AOCB**

Commercial ideas Reference numbers CI19, CI20, CI21, CI22 were suggested and discussed.

The meeting was closed at 3.55 pm.