

**Highland Council
Corporate Resources Committee**

Minutes of Meeting of the **Commercial Board** held in Committee Room 2, Council Headquarters, Inverness on Wednesday 13 March 2019 at 2.00 pm.

Present

Mr Gordon Adam	Mr Derek Loudon
Mr George Cruickshank	Mr Peter Saggars
Mr Richard Gale	Ms Maxine Smith
Mr Jimmy Gray	

Officials in attendance

Mr E Foster, Head of Corporate Finance and Commercialism, Finance Service
Mr M Bailey, Principal Project Manager, Commercial & Efficiency Team, Corporate Resources Service
Mr M MacDonald, Project Manager, Commercial & Efficiency Team, Corporate Resources Service
Mrs A Prior, Technical Business Analyst, Commercial & Efficiency Team, Corporate Resources Service
Mrs L Dunn, Principal Administrator, Chief Executive's Office

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

Apologies for absence were intimated on behalf of Mr L Fraser, Mrs D Mackay and Mr A Rhind.

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 11 December 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 Part I of Schedule 7A of the Act.

5. Change Programme

An update was provided on the Council's Change Programme in order to provide wider context in regard to how this would relate to the projects/activities being undertaken by the Commercial Board.

The Principal Project Manager explained that the Council had approved a Change Programme which set out the change strategy and explained the governance structure that would be used to deliver the required changes. He explained that a Programme Management Office (PMO) was being established to ensure enhanced visibility and better collaboration and co-ordination of all initiatives across the Council but with a particular focus on 16 major change projects.

In terms of governance, the Principal Project Manager explained that the PMO would provide assurance that the Council was functioning with clear and proportionate governance; with the correct systems and processes for assessing potential projects; with effective risk management and structured escalation processes; provide constant monitoring; and assuring efficient and faster delivery of projects with greater returns.

During discussion, further clarity was sought on the role of the Commercial Board within the new governance structure, particularly in regard to generating potential commercial opportunities and assurance was provided that the Board would still be a platform in which to generate ideas.

Responding to concerns, further assurance was provided that the new Change Programme governance structure was intended to enable improved access to resources from relevant experts from across all Council services or partner agencies to assess potential commercial ideas/opportunities, develop the business case, and establish a delivery framework. However, it was felt that the role of the Board was still unclear, particularly in regard to its responsibilities and its wider relationship with the other groups within the governance structure, and that further clarity on this was required. In addition, further concern was expressed that the governance process did not seem streamlined with multiple layers of reporting to different groups which could cause projects to be developed more slowly or delayed.

Overall, the Board acknowledged the rationale of the governance structure but indicated that it was important to ensure reduced duplication and that effort was focussed on delivering projects. It was suggested that time should be given to enable the new structure to bed in and, if necessary, it could be reviewed in future.

Following discussion, the Board **NOTED** the update and **AGREED** that further clarity be provided in regard to the role of the Commercial Board and how it fitted into the new governance process.

6. Commercial Opportunities – Energy Projects

An update was provided on progress of the current Energy Projects and related activity and in particular, updates were provided in regard to projects CI15 and CI8.

Following discussion, the Board **NOTED** the update.

7. Land & Property Investment Opportunities

An update was provided on progress with establishing a Property Investment Fund during which the Head of Corporate Finance and Commercialism provided a high level update on local authority borrowing. He explained that accounting regulations stated that local authorities had to account for the repayments of any borrowings undertaken and this would therefore reduce the margin on an investment property. Consequently there was a need to determine borrowing was prudent and work was currently being undertaken to financially model borrowing levels, affordability, risks, yields etc. based on different scenarios and further information on this would be reported to the next meeting.

In addition, the Board was also presented with an overview of specific commercial opportunities relating to CI3 and sought approval to proceed with an interim short term project whilst a business case was developed for a longer term project.

Following discussion, the Board **NOTED** the update and:-

- i. **AGREED** that a report be submitted to the next meeting on Optimal Borrowing; and
- ii. **APPROVED** the short-term action in regard project CI3 with a view to a business case being developed in regard to implementing a longer term commercial opportunity and that an update on this be reported to the next meeting.

At this point, Mr J Gray left the meeting (3.30 pm).

8. Programme Risks and Mitigating Actions

Responding to a question on the impact on the team to identify and consider potential projects, the Principal Project Manager explained that the new governance structure would facilitate a process to enable viable work to be adequately resourced.

It was further requested that a report be submitted to the next meeting of the Board listing all projects being considered and it was further indicated that this could be a standing item on future agendas and this was **AGREED**.

The meeting was closed at 3.35 pm.

**Highland Council
Corporate Resources Committee**

Minutes of Meeting of the **Commercial Board** held in Committee Room 1, Council Headquarters, Inverness on Wednesday 10 April 2019 at 2.00 pm.

Present

Mr Gordon Adam
Mr Laurie Fraser
Mr Richard Gale

Mr Jimmy Gray
Mr Derek Louden
Ms Maxine Smith

Officials in attendance

Mr E Foster, Head of Corporate Finance and Commercialism, Finance Service
Mr M MacLeod, Council Redesign Lead, Chief Executive's Office
Mr M Bailey, Principal Project Manager, Commercial & Efficiency Team, Corporate Resources Service
Mrs L Dunn, Principal Administrator, Chief Executive's Office

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MR G ADAM IN THE CHAIR

BUSINESS

1. Apologies for Absence

Apologies for absence were intimated on behalf of Mr G Cruickshank, Mrs D Mackay, Mr A Rhind and Mr P Sagers.

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 March 2019, 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 Part I of Schedule 7A of the Act.

5. Commercial Opportunities

The Commercial & Efficiency Team provided an update on progress of the current portfolio of Commercial opportunities and in particular updates were provided in regard to projects CI3, CI8 and CI15.

In terms of the governance process as discussed at the last meeting, it was reported that the Programme Management Office (PMO) had been established with a focus on 15 major change projects. The new Change Programme governance structure was intended to provide dedicated resource to undertake detailed analysis of commercial opportunities and the development of business cases which would be submitted to the Commercial Board for consideration of commissioning/implementation and ongoing monitoring and measuring of effectiveness.

Following detailed discussion, the Commercial Board **NOTED:-**

- i. the update, particularly in regard to projects CI3, CI8 and CI15; and
- ii. that a progress update would be provided to the next meeting in respect of CI3.

6. Optimal Borrowing

There had been circulated Report CB/01/19 by the Depute Chief Executive and Director of Finance.

Following discussion, the Board **NOTED** the report.

7. Commercial Projects: Standing Item

The Commercial & Efficiency Team gave an update of the full list of pending projects and the mechanism for assessing and commissioning viable initiatives and provided an outline of the high level assessment which had been undertaken in regard to each project.

Following discussion, the Commercial Board **NOTED** the presentation and **AGREED** that the list of pending projects be confidentially circulated to the Board for feedback/assessment of each opportunity; ranking each project in terms of priority; and providing any additional project ideas.

8. Commercial Property Investment Opportunities

There were no items reported in regard to this matter.

9. Programme Risks and Mitigating Actions

There were no items reported in regard to this matter.

The meeting was closed at 4.15 pm.

**Highland Council
Corporate Resources Committee**

Minutes of Meeting of the **Commercial Board** held in Committee Room 2, Council Headquarters, Inverness on Wednesday 15 May 2019 at 10.30 am.

Present

Mr Gordon Adam	Mr Jimmy Gray
Mr George Cruickshank	Mr Derek Louden
Mr Laurie Fraser	Ms Maxine Smith
Mr Richard Gale	

Officials in attendance

Mr M MacLeod, Council Redesign Lead, Chief Executive's Office
Mr M Bailey, Principal Project Manager, Commercial & Efficiency Team, Corporate Resources Service
Mr M MacDonald, Project Manager, Commercial & Efficiency Team, Corporate Resources Service
Mrs L Dunn, Principal Administrator, Chief Executive's Office

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MR G ADAM IN THE CHAIR

BUSINESS

1. Apologies for Absence

Apologies for absence were intimated on behalf of Mrs D Mackay, Mr A Rhind and Mr P Saggars.

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 10 April 2019, 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 Part I of Schedule 7A of the Act.

5. Commercial Opportunities

The Commercial & Efficiency Team provided an update on progress of the current portfolio of Commercial opportunities and in particular updates were provided in regard to projects CI3, CI8 and CI15.

Following detailed discussion, the Commercial Board **NOTED** the update.

6. Standing Item: Pending Commercial Projects

The Principal Project Manager explained that a copy of the full list of pending projects had been circulated to the Board for feedback. To date five responses had been received and a reminder would be issued to the remaining Members urging them to respond. Thereafter, the feedback would be collated; any new opportunities/projects would be incorporated onto the list; and the top ranking five projects would be identified. Following analysis, an update would be reported to the next Board meeting.

Following detailed discussion, the Commercial Board:-

- i. **NOTED** the update and that the Board feedback on the Pending Commercial Projects list would be collated and reported to the next meeting;
- ii. **AGREED** that an update be provided at the next meeting in regard to progress with MOT Testing;
- iii. **AGREED** that the Pending Commercial Projects list be categorised in terms of deliverability and level of return;
- iv. **NOTED** that an update would be provided to the next meeting in regard to CI18;
- v. **NOTED** that an update on the work of the Commercial Board would be reported to a future meeting of the Executive Leadership Team and that this would include an estimation of the level of income anticipated and a breakdown of how this would be generated; and
- vi. **AGREED** that there be further officer level discussion in regard to CI4 in order to determine the current position and identify the best method to take this initiative forward.

7. Standing Item: Commercial Property Investment Opportunities

There were no items reported in regard to this matter.

8. Standing Item: Programme Risks and Mitigating Actions

The Board:-

- i. **NOTED** the update in regard to potential risks;
- ii. **NOTED** the additional project opportunities highlighted and **AGREED** that these be incorporated onto the Pending Commercial Projects list for consideration; and
- iii. **AGREED** that further consideration be given to resource requirements and an update on this be provided to the next meeting.

The meeting was closed at 12.20 pm.