

**The Highland Council
Corporate Resources Committee**

Minutes of Meeting of the Corporate Resources Committee held remotely on Wednesday 11 November 2020 at 10.30am.

Present:

Mr R Bremner	Mr D Louden
Mrs C Caddick	Mr G MacKenzie
Dr I Cockburn	Mr S Mackie
Mrs M Davidson	Mr A Mackinnon
Mr R Gale	Mr D Macpherson
Mr T Heggie	Mr M Reiss
Mr A Henderson (substitute)	Mr D Rixson
Mr A Jarvie (substitute)	Mr P Saggars
Mr B Lobban	

Non-Members also Present:

Mrs J Barclay	Mr J McGillivray
Mr A Baxter	Mr C Munro
Mr A Christie	Mrs T Robertson
Mr J Finlayson	Mr B Thompson

Officials in attendance:

Mrs D Manson, Chief Executive
Ms L Denovan, Executive Chief Officer
Mrs K Lackie, Executive Chief Officer
Mr E Foster, Head of Finance and Commercialism
Mrs S McKandie, Head of Revenues and Customer Services
Mr J Shepherd, Head of ICT and Digital Transformation
Mrs L Dunn, Principal Administrator
Ms M Zavarella, Clerical Assistant

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 A Mackinnon in the Chair

BUSINESS

**1. Apologies for Absence
Leisgeulan**

Apologies for absence were intimated on behalf of Mr J Bruce, Mrs G Campbell-Sinclair and Mrs H Carmichael.

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

Item 3 – Mr T Heggie, Mr A Jarvie and Mr B Thompson (non-financial)
Item 8 – Mr D Rixson (non-financial)

**3. Corporate Revenue Monitoring Report to 30 September 2020
Aithisg Sgrùdaidh Teachd-a-steach Corporra gu 30 Sultain 2020**

Declarations of Interest: Mr T Heggie, Mr A Jarvie and Mr B Thompson declared a non-financial interest 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 their involvement in the discussion.

There had been circulated Report No RES/23/20 dated 30 October 2020 by the Executive Chief Officer Finance and Resources.

During discussion, Members raised the following issues:-

- thanks should be conveyed to the Officers concerned for the considerable work undertaken on this report, specifically in terms of monitoring and governance, under what were very difficult circumstances;
- the current projections in respect of a year-end out-turn position with a net budget overspend of only £8.7m were welcomed in terms of the reduction from the previously higher projections in this regard;
- the positive financial management at the present time was welcomed but it was stressed that it was imperative that consideration was given to spending money across the Highlands whenever and wherever possible, not least during the current pandemic situation;
- there was concern in relation to the year on year vacancy management situation although it was recognised that there was a need for this to be used in the current circumstances. However, it was hoped that in future this could be viewed as only a last resort and that other options for savings measures would be considered in the first instance;
- it was the case that there were some recurring deficits year on year within some Service budgets and as such there was a need to focus on this with a view to perhaps setting more realistic budget targets in future where appropriate;
- in terms of the unallocated corporate savings regarding procurement, it appeared that progress was being made and this was welcomed;
- it was noted that further clarification would be provided following the meeting in relation to areas of overspend/shortfall within the report, including payments to partner centres, higher vehicle expenditure, computer services, residential care, European grants, commercial refuse collection and vehicle maintenance income;
- in respect of non-domestic rates, clarity was needed as to how the decrease in collection in the current year might affect the Council in the following financial year;
- the work currently being undertaken in relation to workforce planning would considerably add to the information available in terms of staffing and this could also be used in any future discussion on vacancy management across the Council;
- it would be helpful if clarification could be provided on the changes in staffing numbers across the Council over recent years;
- there should not be a presumption that the posts currently being held as vacant were not needed in future;
- vacancy management was a very prudent measure to be taken by the Council at the present time but there should also be a focus on the staff currently covering the workload associated with those vacant posts to ensure that they were able to cope;

- the work being undertaken on workforce planning might enable the Council to adopt different recruitment procedures in future and this could be beneficial for all concerned;
- there was much uncertainty at present at both a UK and Scottish Government level but the Administration was open to providing updates for the budget leaders within the Opposition Groups across the Council as and when such information was received;
- it was highlighted that the SNP Group was content to offer help to the Administration in the coming weeks and months in order to benefit the Highland economy wherever possible and this was welcomed at the meeting. Issues on which the SNP Group had already provided a focus included how the economy could be strengthened, the total spend for the following financial year, contingency plans for the Brexit situation, use of reserves, spend on projects to create income streams for the Council, measurement of value for money, examples of best practice within other Local Authorities, consideration of modular buildings, self-financing energy projects and future borrowing levels; and
- it was noted that a further update would be provided for Members in regard to procurement issues in due course.

Thereafter, the Committee **AGREED**:-

- i. the financial position of the General Fund and HRA revenue budgets as at 30 September 2020;
- ii. clarification be provided regarding the changes in recent years to staffing numbers;
- iii. the Leader of the Council brief Opposition Group budget leaders on the national position as reported at COSLA Leaders meetings; and
- iv. that Members be provided with an update on procurement.

4. Corporate Capital Monitoring Report to 30 September 2020 Aithisg Sgrùdaidh Teachd-a-steach Corporra gu 30 Sultain 2020

There had been circulated Report No RES/24/20 dated 2 November 2020 by the Executive Chief Officer Finance and Resources.

During discussion, Members raised the following issues:-

- the work on this report was welcomed on the basis that it represented a 'monitoring' position and a further report would be submitted to the full Council meeting on 17 December 2020;
- there was a need for a further update on the Tain 3-18 Campus project, specifically in relation to progress on the site investigation survey and consultation work which had been previously paused;
- in regard to the net external borrowing figure which had been contained in the report, it was essential that action was taken to initiate action on projects across the Highlands wherever possible (and especially Education projects) to mitigate the severe effect that the current pandemic had had in the area in recent months;
- it was also suggested that where capital funding had required to be paused on specific projects due to the pandemic, it could perhaps be used to develop other new and 'shovel ready' projects where feasible as this would also benefit the Highland economy;
- all available measures had to be taken now in relation to the current pandemic - and also to address the potential implications arising from the Brexit situation - as it would not be possible to have a situation whereby the Council waited for further

developments within either issue and the SNP Group was willing to work with the Administration in this regard. As such, it was hoped that all Members of the Council could work together for the benefit of the Highland area;

- there were very tight timelines associated with future budgets at the present time and it was therefore imperative that all feasible action was taken as soon as possible;
- employment creation had to be key to all action taken in relation to the Highland economy in the coming weeks and months;
- there was concern in regard to a lack of progress on work being undertaken on Culloden Academy and it was hoped that this could be addressed as soon as possible; and
- it was noted that a Seminar for Members had been arranged for the end of November 2020 and it was expected that some of the issues which had been raised could be discussed in more detail at that time, including development of the Capital Strategy and a focus on the links between capital and revenue funding.

Thereafter, the Committee **AGREED**:-

- i. the capital monitoring position to 30 September 2020;
- ii. that further information be provided to Councillor
 - a. D Loudon on progress of the Tain 3-18 Campus including whether the site investigation survey had been undertaken and if the consultation could be undertaken online; and
 - b. T Robertson on the progress of the Culloden Academy project.

5. Resources and Finance Service Revenue and Performance Monitoring to 30 September 2020
Sgrùdadh Teachd-a-steach agus Coileanadh Seirbheis nan Goireasan agus an Ionmhais gu 30 Sultain 2020

There had been circulated Report No RES/25/20 dated 24 October 2020 by the Executive Chief Officer Resources and Finance.

During discussion, Members raised the following issues:-

- thanks should be conveyed to the Officers concerned for the extensive work which had been undertaken and also the new format of the report which was warmly welcomed;
- it had to be highlighted that this service had never been as important for the Highlands as it was at the present time;
- the information which had been contained in relation to the early payment of invoices by the Council was welcomed as this was especially important for local businesses across the area;
- the excellent results in terms of the processing of claims was also highlighted in terms of its crucial importance at the present time;
- there was a need to closely monitor the uptake of Covid-19 specific grants and support grants and to provide information for Members in this regard;
- comparison should be made with work being undertaken by other Local Authorities in terms of the future sharing of best practice; and
- the statistics for the collection of Council Tax which showed only a 1.2% decrease was exceptional in the current circumstances.

Thereafter, the Committee **AGREED**:-

- i. the revenue and performance monitoring position to 30 September 2020; and
- ii. that further information be provided to Members on the uptake of Covid-19 grants.

At this point, the meeting was adjourned at 11.55am and reconvened at 12.05pm.

**6. Performance and Governance Service Revenue Monitoring to 30 September 2020
Seirbheis a' Choileanaidh agus an Riaghlachais – Sgrùdadh Teachd-a-steach gu 30 Sultain 2020**

There had been circulated Report No RES/26/20 dated 9 October 2020 by the Executive Chief Officer Performance and Governance.

During discussion, and in response to a query, it was confirmed that the budget figure which had been presented for Legal Services represented a complex situation through a combination of income and expenditure budgets but it was hoped that the anticipated recruitment to Solicitor posts would improve this situation.

It was also acknowledged that a further saving of £58k could be achieved if the proposed By-Election (which had been postponed due to the pandemic) did not go ahead in the coming months.

Thereafter, the Committee **AGREED** the revenue monitoring position to 30 September 2020 as detailed in the report.

**7. Treasury Management
Rianachd Ionmhais**

**a. Summary of Transactions
Geàrr-chunntas Ghnothaichean**

There had been circulated Report No RES/27/20 dated 12 October 2020 by the Executive Chief Officer Resources and Finance.

During discussion, Members raised the following issues:-

- In terms of the information which had been provided, it was hoped that the intention was not only to increase temporary reserves and reduce external borrowing as it had to be highlighted and acknowledged that every pound spent by the Council would have a subsequent 'multiplier effect' across the Highlands which would considerably boost the local economy;
- It was also essential to take advantage of currently low interest rates in relation to future capital projects;
- There was an urgent need for discussion to be undertaken with the Public Works Loans Board as it was felt that the current arrangements did not work well for or benefit the Highlands;
- It would be important in the coming months to ensure that the Capital Programme remained affordable for the long term;
- All opportunities should be taken to discuss future investment in the area with the Scottish Government and it was suggested that work on the A82 had to be given a very high priority; and

- It would be essential for the Council to present a 'united front' in all future discussions with both the Scottish Government and the Public.

Thereafter, the Committee **AGREED** the Treasury Management Summary of Transactions report for the period from 1 July to 30 September 2020 as circulated.

**b. Mid-year Treasury Management Report 2020/21
Aithisg Stiùireadh Ionmhais Meadhan-bliadhna 2020/21**

There had been circulated Report No RES/28/20 dated 30 October 2020 by the Executive Chief Officer Resources and Finance.

The Committee **AGREED** the Mid-year Treasury Management report for 2020/21 as circulated.

**8. Carbon Budgeting
Buidseat Carboin**

Declarations of Interest: Mr D Rixson declared a non-financial interest in this item as the Council's representative on the Lochaber Environmental Group 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 RES/29/20 dated 4 November 2020 by the Executive Chief Officer Performance and Governance.

During discussion, the following main points were raised:-

- In terms of the Resource Implications, it was highlighted that much of the work to date had been focussed on being self-financing and this approach was commended. In addition, it was further indicated that this work created opportunities for significant savings to be generated both in terms of carbon reductions and financially;
- The Leader of the Council's meeting with Ofgem to address difficulties in reducing the carbon footprint due to the lack of accessibility in the grid infrastructure was welcomed;
- The importance of this work was recognised but concern was expressed that the majority of the key tasks within the Action Plan had been prioritised as 'High' and there was a need for this to be reassessed to ensure it was realistic, reflected the current economic climate, and actions that would have genuine carbon and financial reductions prioritised. However, it was highlighted that a commitment had been made to make Highland carbon neutral by 2025 hence why the actions had been prioritised in this manner and the need for carbon budgets to support the delivery of this target was emphasised. Further concern was expressed, and assurance was provided, that the project would be sufficiently resourced;
- Assurance was sought and provided that consideration had been given to the impacts of Covid;
- It was recognised that this was an ambitious project but there were significant opportunities for Highland in terms of renewable energy, environmental restoration and economic development and these should be seized. In doing so, Highland could become a leader of the climate change sector;

- Hydrogen technologies needed to be utilised and confirmation was provided that a copy of the recent briefing on this would be circulated to Members; and
- Climate change was the responsibility of the whole of the Council, not just a single committee, therefore a corporate wide approach should be adopted to making carbon reductions and achieving the target of making Highland carbon neutral quickly as possible.

Thereafter, the Committee:-

- NOTED** the report submitted to the Recovery Board on 7 October 2020 and attached at Appendix 1 to the report; and
- AGREED** that carbon budgeting recommendations arising from the Economy and Infrastructure Committee be considered by Council; and
- AGREED** that a copy of the Hydrogen briefing be circulated to Members.

9. **ICT Performance Report** **Aithisg Choileanaidh ICT**

There had been circulated Report No RES/30/20 dated 7 October 2020 by the Executive Chief Officer Resources and Finance.

The Chair commended the ICT Service for their exceptional work over the past few months in response to the pandemic to ensure the continued delivery of services and conveyed his appreciation to the ICT team.

The Committee **NOTED** the update on the ICT Transformation and Network Programmes, overall Wipro performance and the SOCITM benchmarking.

MINUTES OF MEETINGS **GEÀRR-CHUNNTAS CHOINNEAMHAN**

10. **Minutes of Meetings** **Geàrr-chunntasan Choinneamhan**

There had been circulated and **APPROVED** the following Minutes of Meetings:-

- Corporate Resources Committee held on 20 August 2020 and **AGREED** that an update be provided on the review/evaluation of the Senior Management Structure;
- Staff Partnership Forum held on 14 August 2020; and
- Central Safety Committee held on 14 August 2020.

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

The Committee **RESOLVED** that, under Section 50A(4) of the Local Government (Scotland) Act 1973, the public should be excluded from the meeting for the following items on the grounds that they involved the likely disclosure of exempt information as defined in Paragraphs 8 & 9 of Part 1 of Schedule 7A of the Act.

12. **Project Dòchas** **Pròiseact Dòchais**

There had been circulated to Members only Report No. RES/31/20 dated 3 November 2020 by the Executive Chief Officer Resources and Finance.

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

The meeting was concluded at 1.13pm.