

The Highland Council

Minutes of Meeting of the **Corporate Resources Committee** held REMOTELY on Thursday, 25 February 2021 at 10.30 am

Present:

Mr B Boyd	Mr A Henderson
Mr R Bremner	Mr A Jarvie
Mr J Bruce	Mr B Lobban
Mrs C Caddick	Mr D Louden
Mrs H Carmichael	Mr G MacKenzie
Dr I Cockburn	Mr D Macpherson
Mrs M Davidson	Mr M Reiss
Mr R Gale	Mr D Rixson
Mr T Heggie	Mr P Saggars

Non-Members also present:

Mr A Baxter	Mr J McGillivray
Mr A Christie	Mrs A MacLean
Mr J Finlayson	Mr H Morrison
Mr A Graham	Mr C Munro
Mr J Gray	Mr T Robertson
Mr D Mackay	Mr B Thompson

In attendance:

Mrs D Manson, Chief Executive
Ms L Denovan, Executive Chief Officer Resources and Finance
Mrs K Lackie, Executive Chief Officer Performance and Governance
Mr E Foster, Head of Finance and Commercialism, Resources and Finance
Mrs S McKandie, Head of Revenues and Customer Services, Resources and Finance
Mr J Shepherd, Head of ICT and Digital Transformation, Resources and Finance
Ms E Barrie, Interim Head of HR, Resources and Finance
Mr M Mitchell, Finance Manager, Resources and Finance
Ms G Falconer, Occupational Health Safety & Wellbeing Manager, Resources and Finance
Mr A McKinnie, Senior Waste Manager, Community Services
Mrs L Dunn, Principal Administrator, Performance and Governance
Ms A Macrae, Committee Administrator, Performance and Governance
Ms M Zavarella, Committee Officer, Performance and Governance

Also in attendance:

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

Mr M Reiss in the Chair

PRELIMINARIES

Prior to commencing the meeting, the Vice Chair expressed his appreciation to Mr A Mackinnon for his diligent efforts and all that he had done during his four years as Chair of Corporate Resources Committee.

BUSINESS

1. **Apologies for Absence** **Leisgeulan**

Apologies for absence were intimated on behalf of Mr S Mackie and Mr A Mackinnon.

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

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

Item 4: Mr T Heggie and Mr A Jarvie (non-financial)

Item 7: Mr A Jarvie (non-financial)

Item 10: Mrs C Caddick and Mr A Baxter (financial) and Mr A Jarvie (non-financial)

3. **Good News** **Naidheachdan Matha**

The Committee **NOTED** the following good news updates:

- Hannah Jones Senior HR Officer had been awarded MSc in Human Resources Management with distinction from UHI and 20 candidates who had completed SVQ Business Administration Level 3 and SVQ Level 3 Social Services Children and Young People supported through the in-house SVQ team;
- the significant achievements of the Digital Services team to support the Council's Covid effort and Logan Maclean had been successful in securing a permanent ICT Technician post in the team following completion of a Modern Apprenticeship; and
- a Financial Inclusion Project addressing the high level of unclaimed benefits by families with young children.

4. **Corporate Revenue Monitoring Report to 31 December 2020** **Aithisg Sgrùdaidh Teachd-a-steach Corporra gu 31 Dùbhlachd 2020**

Declarations of Interest: Mr T Heggie and Mr A Jarvie 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/01/21 dated 11 February 2021 by the Executive Chief Officer Finance and Resources.

The Vice Chair indicated that the financial year had been uniquely challenging due to Covid-19, however the Council's financial position had steadily improved and it was pleasing to note that a surplus of over £3m was projected to be delivered. Credit for this was due to officers for their hard work in managing the Covid-19 response. He also thanked the UK and Scottish Governments for the substantial additional funding that had been made available to local authorities. It was important Members did not consider this year's financial position in isolation from the medium-term financial outlook, and that this would be discussed in more detail when the budget was presented to the full Council on 4 March 2021.

During discussion, the following issues were raised:-

- officers be commended on the fact the General Fund balance had increased significantly in the current year;
- concern that the projected surplus had been achieved due to a significant underspend of nearly £15m on staff costs on what appeared to be vacancy management. In this regard, an explanation be provided on how such a high figure had been reached and genuine thanks extended to staff for their work in challenging circumstances;
- there had been ongoing concerns around vacancy management and recognition it was not a long-term tool, however it had to be appreciated that the Council had not been operating as business as usual in the Covid-19 period and the need to manage vacancies had been essential;
- the current position reflected the prudent financial management and governance of the Council including the way the additional funding received had been managed. It was recognised that in the longer term there was a need to redefine how the available monies were spent;
- this had been a difficult year which no-one could have predicted and had been a learning experience for Members, staff and the public alike. The praise for staff was heartfelt and their performance during the pandemic and in ensuring the Council was not facing a financial crisis had been outstanding;
- it was understood the funding to be received from the Income Recompense Scheme had been increased and this was welcomed. It was confirmed that an update would be provided to the full Council on 4 March 2021 on any additional external funding received since the budget papers had been issued;
- confirmation was sought and provided that the Council was adopting an open approach in relation to the Scottish Government's funding flexibilities given the uncertainties around the budget in future years;
- the importance of using surplus monies on the budget as spend to save and that further discussion on this would take place in the budget discussions on 4 March 2021;
- the need to ensure the surplus shown on the HRA as a result of the impact of Covid-19 was spent expeditiously in the next financial year;
- going forward it was recognised there was a need to review how income was achieved and treated within the budget;
- clarification was sought and provided on the budget process including that the Deputy Leader would present the budget at the full Council on 4 March 2021, and the consultation currently being undertaken with Members; and
- delivering a budget that was workable and accountable, properly evaluated and addressed the economic impacts of Covid-19 was the responsibility of all Members and required their positive and active involvement.

The Executive Chief Officer Resources and Finance advised that the underspend shown on staff costs did not reflect the correct position. A significant amount of housekeeping work was to be undertaken and management issues addressed and this would reduce the value of the vacancies being reported. Members were being kept updated on this work. Once this virement exercise had been completed there would be a clearer picture of where overspends and underspends were being reported. She advised that in relation to vacancy management any essential posts had not been held back from being filled.

Thereafter, the Committee **APPROVED** the financial position of the General Fund and HRA revenue budgets as at 31 December 2020.

5. **Corporate Capital Monitoring Report to 31 December 2020** **Aithisg Sgrùdaidh Teachd-a-steach Corporra gu 31 Dùbhlachd 2020**

There had been circulated Report No RES/02/21 dated 15 February 2021 by the Executive Chief Officer Finance and Resources.

The Vice Chair advised that while capital spend had been significantly impacted by the Covid-19 lockdown, it was anticipated that by the end of the financial year around £100m would have been invested in the Council's housing and property assets. There had been lengthy discussion at the full Council meeting on 7 January 2021 on the capital budget and the reprofiling of the programme and there had been no significant change in the position since then.

In discussion, it was noted that there had been a significant underspend on capital projects in the current financial year due to the pandemic. The Council's capital spend was extremely important for the whole Highland economy and building recovery in the area and therefore it was critical the available capital monies were spent as expeditiously as possible in the next financial year.

The Committee **APPROVED** the report.

6. Resources and Finance Service – Revenue and Performance Monitoring to 31 December 2020

Sgrùdadh Teachd-a-steach agus Coileanadh Seirbheis nan Goireasan agus an Ionmhais gu 31 Dùbhlachd 2020

There had been circulated Report No RES/03/21 dated 29 January 2021 by the Executive Chief Officer Resources and Finance.

During discussion, the following issues were considered:-

- the Council tax in-year collection rate had decreased only marginally in the current year and the public in the Highlands were thanked for their efforts in continuing to pay at a time when many were experiencing financial difficulties;
- the Head of Revenues and Customer Services and her Team be thanked for the high level of support and assistance provided to a large number of people facing financial difficulties and those experiencing poverty, many for the first time;
- many businesses had been adversely impacted over the year due to the pandemic and those able to pay their non-domestic rates be thanked in this regard;
- in relation to the Fuel Support Fund, consideration be given to offering continued support in the next financial year to those struggling to pay their fuel bills;
- an explanation was sought and provided on the approach taken in relation the Council tax collection during the pandemic, the support provided to those struggling to make payments, and the Council's statutory duties in relation to the collection and recovery process;
- if feasible, it would be helpful for a more detailed breakdown to be provided to the next meeting in relation to council tax payments in the current year and the method of collection;
- clarification was sought and provided on the approach being taken to the recovery of BID levies and the range of support being provided to relieve the financial pressures on businesses, many of which would take a significant period of time to recover from the pandemic;
- following a piece of cross party work by Members, the Council had written again to the UK Government seeking changes to Universal Credit and the outcome was awaited;
- at the same time, there had been cross party discussion on how the Council dealt with the issues around poverty and inequality and to ensure these issues were considered when developing the Council's policies for change going

forward. In this regard, the Acting Head of Policy had been tasked with undertaking a review on this matter;

- the importance of the Council paying invoices as quickly as possible given the economic impacts of the pandemic; and
- further information be provided to Members in relation to the Care and Learning Service's performance on the payment of invoices.

Thereafter, the Committee:-

- APPROVED** the Revenue monitoring position for the period to 31 December 2020;
- NOTED** the statutory performance indicators, local key performance measures and where available, comparisons to Scottish averages;
- NOTED** the effectiveness of the standard and level of services provided by the Resources and Finance Service and alignment with the Council's commitment to Best Value and continuous improvement;
- AGREED** the continuation of the Fuel Support Fund to 31 March 2021 involving indicative expenditure of £0.790m to be met from Government Covid grant to assist with humanitarian and welfare needs;
- NOTED** the actions for the Service on the Recovery Action Plan and the slippage remarks provided;
- AGREED** that if feasible, a more detailed breakdown be provided to the next meeting in relation to Council Tax payments in the current year and the method of collection; and
- AGREED** that further information be provided to Members in relation to the Care and Learning Service's performance on the payment of invoices.

**7. Performance and Governance Service Revenue Monitoring to 31 December 2020
Seirbheis a' Choileanaidh agus an Riaghlachais – Sgrùdadh Teachd-a-steach gu
31 Dùbhlachd 2020**

Declarations of Interest: Mr A Jarvie declared a non-financial interest in this item as a Director of High Life Highland but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that his interest did not preclude his involvement in the discussion.

There had been circulated Report No RES/04/21 dated 14 February 2021 by the Executive Chief Officer Performance and Governance.

The Committee:-

- APPROVED** the Revenue Monitoring position for the period to 31 December 2020; and
- NOTED** the progress being made on the Recovery Plan Workstream – Leadership, Culture and Performance.

The meeting was adjourned at 11.40am and reconvened at 11.45am.

**8. Treasury Management
Rianachd Ionmhais**

**a. Summary of Transactions – Quarter ended 31 December 2020
Geàrr-chunntas Ghnothaichean**

There had been circulated Report No RES/05/21 dated 15 February 2021 by the Executive Chief Officer Resources and Finance.

During discussion, the following issues were considered:-

- It was important that Members recognised the link between undertaking borrowing to fund capital investment and the impact of repayment of this on the annual revenue budget; and
- regarding the summary of transactions for the current quarter, there was a pattern emerging of debt building up over the course of the year as the grant funding was used for projects. However, the Council debt level had been significantly reduced and was nearly £100m less than in March 2020 as a result of not undertaking the capital works and it was anticipated that this would start to increase once capital spending resumed.

The Committee **AGREED** the Treasury Management Summary of Transactions report for the period from 1 October to 31 December 2020.

**b. Strategy Statement and Investment Statement – 2021/22
Aithris Ro-innleachd agus Aithris Tasgaidh – 2021/22**

There had been circulated Report No RES/06/21 dated 15 February 2021 by the Executive Chief Officer Resources and Finance.

During discussion, the following issues were considered:-

- although the UK national debt had gone up significantly, the interest bill had not due to the low rates of interest for government borrowing. Quantitative easing purchases of government debts would help to suppress the rise in debt yield and keep the total interest bill and greatly expanded government debt portfolios within manageable parameters and was also the main alternative to a programme of austerity;
- it was important to acknowledge that Highland was in the middle of a crisis and the importance of the Council spend to aid the recovery of the Highland economy was highlighted;
- the impact on revenue, a £3m increase in loan charge payments in the next two years which would not return to the current level until 2026/27, was highlighted. Continuing, it was indicated that over the next five years external debt would increase approximately £150m not including any Public Private Partnership obligations. Although the need to sustain the Highland economy was acknowledged, it was further highlighted that there was a need for cognisance of the ratio of financing costs to net revenue stream;
- there was a need for a more long-term strategic approach and to benchmark the Council against other Local Authorities in Scotland, to show how the Council had been performing;
- information was sought, and provided, on emergency efficiency loans and the funding obtained by the Council from Salix Finance was provided as an example;
- an update was sought and provided regarding the outstanding unsecured loan stock for Inverness Airport Business Park Ltd (IABP) during which it was explained that, details of this loan were reported to the Economy & Infrastructure Committee, the terms in the agreement set out that IABP had to repay only when in a position to do so. In view of this, it was therefore felt that it was unlikely that the loan would be repaid in the near future;
- clarification was sought, and provided, on terms to be agreed in the Transaction Management Strategy Statement and Investment Statement and further confirmation provided that there was minimal change in terms of the main strategy approach to borrowing;

- the reduction in borrowing rates for the Public Works Loan Board (PWLB) was welcomed and was mainly due to Local Authorities being denied access for investment purposes, it was clarified by officers that this was for commercial rather than regular investment;
- concern was raised about how the unemployment figures were outlined in relation to foreign workers lost from the UK workforce by returning home, it was emphasised that this would likely be European workers in the Highland tourist industry and could mean significant staff shortages, and at the minimal analysis by the Advisors on Brexit. It was suggested that a separate analysis should be requested on the impact of Brexit on the Highland Council;
- regarding the point made about too much action being taken too quickly to introduce austerity measures, it was emphasised that this behaviour would only compound the issues at hand and if this did continue the Council would have to address it with the UK Government; and
- the increasing portion of rents going towards repayment of borrowing had been raised previously at the Housing and Property Committee and it was highlighted that the Member seminar 'New Social Housing Options' on 26 March 2021 would cover affordability of social housing options which was an important topic for the Housing Revenue Account moving forward. Members were urged to attend.

* Thereafter, the Committee **APPROVED** the Treasury Management Strategy Statement & Investment Strategy for 2021/22 and the Prudential Indicators as detailed in Appendix 1 to the report.

9. **Annual Occupational Health and Safety Report 2019/20** **Aithisg Bhliadhnaile Slàinte is Sàbhailteachd is Sùnn Dreuchdail Chorporra 2019/20**

There had been circulated Report No RES/07/21 dated 26 January 2021 by the Interim Head of HR.

During discussion, the following issues were considered:-

- the increase in training attendance was praised, particularly given the difficult circumstances in moving online and altering the administration of training as a result;
- Employee Assistance Program (EAP) had been of assistance particularly in terms of mental health and it was positive to see the effort going towards the health and safety of employees;
- it was queried whether one Fire Safety Officer was sufficient, particularly after the events at Invergordon Primary School, and confirmation was provided that a second Fire Safety Officer would be in place shortly;
- it was suggested that an appeal should be made to employees to ascertain interest in taking on the role of Responsible Premises Officer;
- it was encouraging to see the positive trends of health and safety;
- in response to a statement about asbestos being an ongoing problem, it was suggested that Head/Depute Head Teachers should be reminded to complete the E-learning course on Managing Asbestos in Schools and to ensure that the Asbestos Register was kept up to date; and
- with respect to Did Not Attend Appointments (DNAs), it was highlighted that charging for appointment costs should be examined given the current level of pressure on the medical profession.

The Committee:-

- i. **NOTED** the achievements and performance for 2019/20;
- ii. **APPROVED** the Occupational Health and Safety Report; and
- iii. **AGREED** to the key challenges for 2020/21.
- iv. **NOTED** that the Occupational Health & Safety Wellbeing Manager would remind Head/Depute Head Teachers to complete the e-learning course on Managing Asbestos in Schools and to ensure that the Asbestos Register was kept up to date.

**10. Non-Domestic Rateable Premises and Commercial Waste Services
Aitreabhan Reatachail Neo-Dhachaigheil agus Seirbheisean Sgudail Coimeirsealta**

Declarations of Interest: Mrs C Caddick declared a financial interest in this item as the owner of a third share of a house that is a non-domestic rateable property and Mr A Baxter as non-domestic rates payer and has a commercial waste contract with the Council and left the meeting for this item.

Declarations of Interest: Mr A Jarvie declared a non-financial interest in this item as a Director of High Life Highland but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that his interest did not preclude his involvement in the discussion.

There had been circulated Report No RES/08/21 dated 27 January 2021 by the Executive Chief Officer Resources and Finance.

During discussion, the following issues were considered

- Appendix 1 to the report indicated that the credit amount from the closure of council tax could be substantial and the costs of having a commercial waste collection would be relatively minor. However, due to the current Covid crisis a number of businesses that did not have Non-Domestic rates valuations had changed over from council tax to Non-Domestic Rates to enable them to access business grants. Therefore, concern was expressed that many of these small businesses might not have the level of council tax credit being suggested within the report and further assurance was sought and provided on this; and
- the report was welcomed and it was highlighted that it was a simple tidying up of a process that had long been necessary for the Council to enact.

The Committee:-

- i. **AGREED** in the circumstances discussed in Section 5 of the report, that the available credit on a council tax account, after first being used to reduce the associated non-domestic rates bill, be further used to reduce the arising commercial waste services charges;
- ii. **AGREED** that this policy was implemented with immediate effect and be applied to all properties that the Assessor transferred from the council tax list to the non-domestic rates valuation roll from the date of policy implementation; and
- iii. **NOTED** any residual credit remaining on the council tax account, after the processes set out in the first recommendation were complete, would be automatically refunded to the taxpayer in line with current procedures.

**MINUTES OF MEETINGS
GEÀRR-CHUNNTAS CHOINNEAMHAN**

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

During discussion, the following issues were considered:-

- In response to a question, it was confirmed that the Corporate Resources Budget Sub-Committee had not met since 26 November 2020 and future decision making around meetings would be undertaken by the next appointed Chair; and
- In response to a question about the staffing restructure, the Vice Chair advised that he would ask the next appointed Chair to consider that a breakdown of cost of the new management structure be brought to the Committee as previously agreed.

Thereafter, the Committee:-

- i. **APPROVED** the undernoted Minutes of Meetings as circulated:-
 - a. Central Safety Committee held on 13 November 2020 and 9 February 2021;
 - b. Corporate Resources Budget Sub-Committee held on 26 November;
 - c. Staff Partnership Forum held on 13 November 2020 and 12 February 2021;and
- ii. **AGREED** that the Vice Chair ask the next appointed Chair of the Committee to consider bringing a breakdown of the costs of the new management structure to a future meeting of the Committee.

**12. 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 involve the likely disclosure of exempt information as defined in Paragraphs 6, 8 & 9 of Part 1 of Schedule 7A of the Act.

**13. Project Dòchas Progress Report
Pròiseact Dòchais Aithisg Ùrachaidh**

There had been circulated to Members only Report No RES/09/21 dated 7 February 2021 by the Executive Chief Officer Resources and Finance.

Following discussion, the Committee **AGREED** the recommendations as set out in the report.

**14. Debts recommended to be written off
Fiachan gam Moladh airson Di-sgrìobhadh**

There had been circulated to Members only Report No RES/10/21 dated 28 January 2021 by the Executive Chief Officer Resources and Finance.

Following discussion, the Committee **AGREED** the recommendations as set out in the report.

The meeting was closed at 1.13pm.