

The Highland Council

Minutes of Meeting of the **Corporate Resources Committee** held **remotely** on Wednesday 26 January 2022 at 10.30 am.

Present:

Mr B Boyd	Mr A Henderson (substitute)
Mr R Bremner	Mr D Louden
Mrs H Carmichael	Mr G MacKenzie
Mr A Christie	Mr D Macpherson
Dr I Cockburn	Mr C Munro (substitute)
Mrs M Davidson	Mr M Reiss
Mr R Gale	Mr D Rixson
Mr J Gray	Mr P Saggars

Non-Members also present:

Ms I Campbell	Mr D Mackay
Ms S Fanet	Mrs M Paterson
Mr T Heggie	Mr K Rosie
Mr A Jarvie	

Officials 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 M MacLeod, Executive Chief Officer, Infrastructure, Environment and Economy
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, Interim Head of ICT & Digital Transformation, Resources and Finance
Ms E Barrie, Interim Head of HR, Resources and Finance
Mr A Maguire, Head of Housing Development & Regeneration, Infrastructure, Environment and Economy
Mrs L Dunn, Principal Administrator, Performance and Governance
Ms A Macrae, Committee Administrator, Performance and Governance

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

Mr J Gray in the Chair

BUSINESS

1. Apologies for Absence Leisgeulan

Apologies for absence were intimated on behalf of Mr A Baxter, Mr B Lobban, Mr S Mackie and Mr A Mackinnon.

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

The Committee **NOTED**:-

Item 12: Mrs H Carmichael (Transparency Statement)

**3. Corporate Revenue and Capital Monitoring Report to 31 December 2021
Aithisg Teachd-a-steach Corporra agus Sgrùdadh Calpa gu 31 Dùbhlachd 2021**

There had been circulated Report No RES/01/22 by the Executive Chief Officer Resources and Finance.

During discussion, Members raised the following main points:-

- the significant level of external government funding received by the Council over the financial year should be recognised;
- it was suggested that while the year-end position was positive the report was presented in a negative manner. The Council was aware of some of the financial risks highlighted and had made provision in the budget for these costs and other risks required to be crystallised. The monitoring report should in essence be focusing on the financial position at the end of Quarter 3. It was clarified that the information presented in the report was based on the projections to the end of the financial year;
- the tone of the report was appropriate and it was important the caveats in terms of the financial risks were highlighted given the ongoing wider economic and financial uncertainties and the report provided assurance in this regard;
- confirmation the pay award for teaching staff had not been agreed for the current year and there was no guarantee the Scottish Government would provide additional funding if a higher than budgeted award was agreed;
- an assurance was provided that services were working collectively across the Council to ensure debt collection was pursued efficiently while maximising the benefit entitlement for members of the public;
- an assurance was provided that there would be a review of specific earmarked balances at the year end to consider if they were required for the purpose they had been set aside. If not, those balances would transfer to the general reserve. The ongoing review of earmarked reserves would form a main part of the budget paper presented to Council in February 2022;
- clarification was sought and provided that the home learning support and digital inclusion funds sitting in the earmarked reserves were to be utilised in the Children's Services Redesign and further information would be provided in the next report;
- clarification was sought and provided that the employers national insurance contributions rates were still expected to increase from 1 April 2022;
- the need for future reports to be more informative on the whole life performance of a project from inception to completion and provide information on the original budget rather than the reprofiled budgets. There was also a need to consider the longer term life of the asset beyond completion and delivery and the effect this was having on forward projections in terms borrowing;
- from the discussion, there was a need for a firm commitment to review the format of the capital monitoring report to provide Members with the necessary information to make informed decisions and to capture risks and projections going forward and to ensure there was openness and transparency in the public

- domain. In this regard, assurance was provided that improvements to the summary capital report would to be made for the next Committee;
- related to the above, it was suggested that the Redesign Board consider how to achieve the consistency in the narrative of financial reports across all the strategic committees;
 - the increasing importance of reserves in meeting ongoing and future challenges such as support for rising energy costs while noting that, ideally, they should be used for one-off purposes rather than recurring budget pressures or budget gaps which might require longer term solutions; and
 - confirmation was sought that the invoice for the significant payment due from NHS Highland would be issued before the year end, concern being expressed at the delay in recouping this money. It was explained that negotiations were ongoing with NHS Highland and that it would be premature to issue the invoices until a final position had been agreed. Assurance on this matter was provided through the Highland Council/NHS Highland Partnership Agreement and an update would be provided to Members as soon as this was possible.

Thereafter, the Committee:

- i. **NOTED** the financial position of the General Fund and HRA revenue and capital budgets as at 31 December 2021 and the estimated year end forecasts; and
- ii. **NOTED** the status of budgeted savings in the year.
- iii. **AGREED** that the format of future capital reports be reviewed and revised.

4. Resources and Finance Service Revenue and Performance Monitoring to 31 December 2021
Sgrùdadh Teachd-a-steach agus Coileanaidh Seirbheis nan Goireasan agus an Ionmhais gu 31 Dùbhlachd 2021

There had been circulated Report No RES/02/22 by the Executive Chief Officer Resources and Finance.

During discussion, Members raised the following main points:-

- Members thanks and appreciation be conveyed to the Welfare Support Team for their outstanding response to the unprecedented level of demand for its services and on the excellent feedback that had been received from those in receipt of services;
- the Team be commended on reducing the speed of processing of new benefit claims to its current level;
- an assurance was provided that the Team's workload was being managed due to the allocation of additional resources, mobilisation of staff from other services and the joint working with the CABx to maximise services. Demand for services continued to increase and there were real concerns about rising energy costs, particularly given the high volume of oil and coal users in the Highlands and an update was provided on the ongoing work being undertaken to provide support in relation to this issue;
- the recommendation to implement a Phase 2 Discretionary Fuel Support scheme be supported, particularly as this would capture those persons currently missing the net as highlighted in the report;
- an assurance was provided that officers would investigate all potential sources of funding in terms of covering the full cost of funerals; and

- clarification was sought and provided on the impacts to the Council associated with the collection of non-domestic rates and the BID levies.

Thereafter, the Committee:

- NOTED** the Revenue position for the Quarter 3 period to 31 December 2021;
- NOTED** the statutory performance indicators, local key performance measures and where available, comparisons with Scottish averages;
- NOTED** the effectiveness of the standard and level of services provided by the Resources and Finance Directorate and alignment with the Council's commitment to Best Value and continuous improvement;
- NOTED** the update on the Procurement & Contract Management Transformation Project; and
- AGREED** a Phase 2 Discretionary Fuel Support scheme be implemented to make available a one-off payment of £180 per eligible household for those on low incomes who qualified for a person-based council tax exemption as set out in council tax legislation. It was estimated that a budget of £0.280m would be needed for this purpose, to be drawn from the Council's reserves. Paragraph 9.10 of the report provided further details.

**5. Performance and Governance Service Revenue Monitoring to 31 December 2021
Sgrùdadh Teachd-a-steach Seirbheis a' Choileanaidh is an Riaghlachais gu 31 Dùbhlachd 2021**

There had been circulated Report No RES/**03**/22 by the Executive Chief Officer Performance and Governance.

In response to a question, the Executive Chief Officer Performance and Governance explained that High Life Highland did not report through the Performance and Governance Service and that she would have further discussion on the issue raised in relation to discounts for staff with Mr D MacPherson outwith the meeting.

The Committee **NOTED** the:

- revenue monitoring position for the period to 31 December 2021;
- Directorate was on track to deliver all approved savings by the end of the financial year; and
- Directorate's performance information.

**6. Transformation Service – Revenue and Performance Monitoring to 31 December 2021
Seirbheis Cruth-atharrachaidh – Sgrùdadh Teachd-a-steach is Coileanaidh gu 31 Dùbhlachd 2021**

There had been circulated Report No RES/**04**/22 by the Executive Chief Officer Communities and Place.

During discussion, Members raised the following main points:-

- an explanation was sought and provided on the measures in place to ensure that the Council's remuneration and incentives for ICT staff were competitive with other public agencies and the private sector in relation to attracting and retaining staff;

- the circulation of staff around organisations in the area was of benefit for the wider Highlands in building up a skills base. There was a focus on growing talent in the area by building on modern and graduate apprenticeships, and in relation to recruitment where there had been challenges in attracting candidates to some specialist posts;
- an update was provided in relation to the number of staff transferring from Wipro to the Council through TUPE; and
- staff be thanked for their excellent work in bringing the ICT Service in house and overcoming the challenges presented over what had been a difficult period due to the pandemic.

The Committee **NOTED** the:

- 2021/22 revenue monitoring position for the period to 31 December 2021 and latest forecasted outturn;
- progress update provided in relation to budget savings delivery; and
- performance information.

7. Treasury Management Rianachd Ionmhais

a. Summary of Transactions Geàrr-chunntas Ghnothaichean

There had been circulated Report No RES/**05**/22 by the Executive Chief Officer Resources and Finance.

The Committee **NOTED** the Treasury Management Summary of Transactions report for the period from 1 October to 31 December 2021.

b. Strategy Statement and Investment Statement – 2022/23 Aithris Ro-innleachd agus Aithris Tasgaidh – 2022/23

There had been circulated Report No RES/**06**/22 by the Executive Chief Officer Resources and Finance.

During discussion on both items 7a and 7b, Members raised the following main points:-

- officers be commended on their foresight in terms of the prudent borrowing undertaken in the quarter up to the end of December 2021;
- a robust approach be taken to determining asset life, specific reference being made to the climate in the Highlands and the anticipation of more extreme weather events in future due to climate change;
- observing that the current Link forecast for interest rates was higher than the anticipated level from the period since the last meeting of the Committee in November 2021;
- whether the Link forecast that electricity and gas prices would fall back to normal levels was realistic and highlighting the fact that in the USA the term ‘transitory inflationary pressures’ was no longer being used;
- the report highlighted the support the Council had received from the Scottish Government over the past year which had boosted the level of reserves at the year-end and had significantly reduced the requirement to borrow;

- the work undertaken with the Public Works Loan Board (PWLB) and the transfer of short term to longer term borrowing was welcomed;
- the significant capital investment by the Council in infrastructure was welcomed although it was noted that this was funded through increased borrowing. It was confirmed that there was confidence the current level of investment in the approved Capital Programme was affordable however this level of investment would not be affordable over a sustained period beyond the life of the current programme;
- an explanation was sought and provided on the proposal to fund the next round of borrowing with short term loans, on achieving a balance between short and long terms loans, and in relation to the type of borrowing undertaken with the PWLB; and
- observing that the overall rhetoric from the Bank of England and Federal Reserve was that this would continue to be an era of low interest rates for some time.

Thereafter, the Committee **APPROVED** the Strategy Statement and Investment Statement for 2022/23 and the Prudential Indicators as detailed in Appendix 1 of the report.

8. **Modern/Graduate Apprenticeship & Intern Programme** **Prògram Preantas Ùr-nodha/Ceumnach & Inntearnach**

There had been circulated Report No RES/07/22 dated by the Executive Chief Officer Resources and Finance.

During discussion, Members raised the following main points:-

- this was a good news item, and a sizeable number of staff had benefitted from the Programme;
- clarification was sought that the Council was recouping monies back from the apprenticeship levy and definitive figures could be provided to Members if required;
- concern that the Council's entry salary for some of the graduate posts was not competitive with the graduate schemes of other agencies;
- the need to consider the issues around employability going forward in terms of defining green jobs, establishing seamless links with schools and making young people aware of the opportunities to remain in the Highlands on leaving school; and
- there was a real opportunity for the public, business and third sectors in Highland to collaborate on employability and grow the skills base in Highland and that a follow up report be brought forward to the Committee on this issue at the appropriate time.

Thereafter, the Committee **NOTED** the:

- i. progress with the staff who had enrolled on the Modern/Graduate Apprenticeship Schemes and training which had been completed;
- ii. current developments with MAs funded through the Economic Prosperity Fund supporting Service workforce planning needs and expansion of the MA frameworks being used; and
- iii. work taking place to support the Young Person's Guarantee and the Council's proposed participation in Apprenticeship Week in early March 2022.

**MINUTES OF MEETINGS
GEÀRR-CHUNNTAS CHOINNEAMHAN**

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

The Committee:-

- i. **NOTED** the Minutes of the Non Domestic Rates Appeals Committee held on 29 November 2021;
- ii. **APPROVED** the Minutes of the Central Safety Committee held on 3 December 2021; and
- iii. **NOTED** the Minutes of the Appeals and Disputes Committee held on 21 December 2021.

The meeting was adjourned at 12.50pm and reconvened at 1.00pm.

**10. 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 item on the grounds that it involved the likely disclosure of exempt information as defined in Paragraphs 6 & 9 of Part 1 of Schedule 7A of the Act.

**11. Relief from Non-Domestic Rates for General Stores etc in Rural Settlements
Faochadh bho Reataichean Neo-Dhachaigheil airson Stòran Coitcheann is eile ann an Tuineachaidhean Dùthchail**

There had been circulated Report No RES/08/22 by the Executive Chief Officer Resources and Finance.

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

**12. Inverness Castle Project – Construction Tender and Funding
Pròiseact Caisteal Inbhir Nis – Tairgse Togail agus Maoineachadh**

Transparency Statement: Mrs H Carmichael made a Transparency Statement in respect of this item in that she had a connection to this item by reason of her position as Provost of Inverness. However, having applied the objective test she did not consider that she had an interest to declare. This was because it was a council appointment and non-financial. She requested that this Statement be recorded in the Minutes.

There had been circulated Report No RES/09/22 by the Executive Chief Officer Infrastructure, Environment & Economy.

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

The meeting was closed at 1.20pm.

