

The Highland Council

Minutes of Meeting of the **Corporate Resources Committee** held in the Chamber, Council Headquarters, Inverness on Thursday 1 December 2022 at 10.30 am.

Present:

Mr M Baird	Mr B Lobban
Mr R Bremner	Mr D Louden
Mr J Bruce	Mr A MacDonald
Mrs G Campbell-Sinclair	Mr G Mackenzie
Mr A Christie	Mr D Millar (late arrival)
Mr R Gale	Mr C Munro
Mr M Green	Mr P Oldham
Mr S Kennedy	Mr R Stewart

Non-Members also present:

Mr C Ballance	Mr J McGillivray
Mr J Finlayson	Mr M Reiss
Mr K Gowans	Mrs T Robertson
Mr T MacLennan	Mr K Rosie
Mr D Macpherson	

Officials in Attendance:

Mrs D Manson, Chief Executive
Mrs K Lackie, Acting Depute Chief Executive and Executive Chief Officer Performance and Governance
Mr E Foster, Head of Finance, 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 M Waters, FOI and Data Protection Manager, Performance and Governance
Ms M Mackenzie, Strategic Commercial Manager, Commercial & Procurement Shared Service
Ms G Falconer, Occupational Health, Safety & Wellbeing Manager, Resources & Finance
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 D Louden in the Chair

BUSINESS

1. Apologies for Absence Leisgeulan

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

2. Declarations of Interest Foillseachaidhean Com-pàirt

The Committee **NOTED** the following:

- Declaration of Interest: Item 5.b
- Declaration of Interest: Item 10: Mr D Louden
- Transparency Statements: Items 4.a, 5.b, 6, 7, 9 and 12.i: Mr A Christie

**3. Appointments to Sub-Committees, Working Groups, etc
Cur an Dreuchd gu Fo-Chomataidhean, Buidhnean-obrach is eile**

The Committee **AGREED** the following appointments:

- Appeals and Disputes Committee: Mr S Mackie and Mr R Stewart
- Employment Release Sub Committee: Mr J Bruce and Mr S Mackie and Mr R Gale to replace Mr A MacDonald

**4. Corporate Revenue and Capital Monitoring Report to 30 September 2022
Aithisg Teachd-a-steach Corporra agus Sgrùdadh 30 an t-Sultainn 2022**

**a. Corporate Revenue Monitoring to 30 September 2022
Sgrùdadh Teachd-a-steach Corporra gu 30 Sultainn 2022**

Transparency Statement: Mr A Christie made a Transparency Statement in respect of this item as he had a connection in his capacity as a Non-executive director of NHS Highland. However, having applied the objective test, reviewed his position in relation to the item and any personal connection, he did not consider that he had an interest to declare.

There had been circulated Report No **RES/24/22** by the Head of Corporate Finance.

During discussion, the following main points were raised:

- an explanation was sought and provided in relation to the Council's ability to spend useable reserves given its current level of borrowing;
- the report flagged up the difficulties in mitigating the projected overspend, noting there had been only a marginal change in the forecasted outturn since the last quarterly report;
- concern the Council's reserves were perilously low and the difficulties that might arise if there was a severe winter or unforeseen events occurred;
- consideration be given to the future scheduling of the Corporate Resources Committee and full Council to ensure the Committee was in receipt of the up to date information;
- concern at the suspension of non-essential repairs for Council tenants to reduce areas of overspend on the Housing Revenue Account and that this be reviewed given that many tenants were being affected disproportionately by the cost of living crisis;
- the focus was on carrying out emergency repairs in this financial year due to the current position with the overspend on the HRA. The HRA was funded entirely by rental income from tenants and had to maintain a balanced budget. Consultation with tenants had commenced in relation to rent levels in 2023/24 and this would help shape the Service going forward;
- a definition be provided on what constituted emergency repairs. It was confirmed that a report to the Housing and Property Committee provided more detail in relation to housing repairs and this would be shared with Members;
- concern that recruitment to vacant lower paid but essential posts such as school crossing patrol officers were being held up due to the recruitment freeze and that this was placing children at risk;

- the need for more clarity on the Administration's plans for meeting the budget gap forecasted for 2023/24 in the run up to the budget setting process early in 2023;
- the Council was facing unprecedented financial challenges and therefore the Administration's consideration of the mitigation measures in relation to the budget was ongoing. The proposed package of measures would be shared with opposition Members for their comments and ideas;
- clarification was sought in relation to whether Roads posts were included in the recruitment freeze on the basis it was understood vacant posts in Caithness were not being advertised at a time when the condition of the roads was considered to be a priority;
- a strategic approach had been taken to the non-filling of vacancies for the financial reasons outlined and this did not necessarily mean there was a cessation of services in certain areas. There had been challenges in recruiting to vacant posts to the Roads Team in Caithness and active consideration was being given to this issue and to ensure service delivery;
- the forecasted surplus against budget for Council Tax income be welcomed as a positive in the current financial climate;
- the underspend on the Health and Social Care budget was due to the excellent work of the Chief Executive and team to reduce the number of out of area placements for Looked After Children;
- the fact the Welfare budget was forecasting a near breakeven position be welcomed given the pressure on the Welfare Team's services in the current financial climate; and
- an update was sought and provided on the reasons why no variance was being forecasted against loan charges given the current position with interest rates.

Thereafter, the Committee **NOTED** the:

- i. financial position of the General Fund and HRA revenue budgets as at 30 September 2022;
- ii. estimated year end forecast overspend of £8.947m; and
- iii. status of budgeted savings in the year as set out in Appendix 6 to the report.

**b. Corporate Capital Monitoring to 30 September 2022
Sgrùdadh Calpa Corporra gu 30 Sultain 2022**

There had been circulated Report No **RES/25/22** by the Head of Corporate Finance.

During discussion, the following main points were raised:

- officers be thanked for the additional information included in the report on capital projects and that provided to other Committees;
- the report clearly set out the pressure the Capital budget was under due to rising inflation;
- an update was sought and provided on progress with the bidding process for Learning Estate Investment Programme (LEIP) funding. It was confirmed that feedback received from the Scottish Government was that the Council's bids were excellent and met all the relevant criteria. It was expected that a decision on the bids would be confirmed as part of the announcement of the Scottish Government's settlement on 19 December 2022;
- concern that the likely costs of replacements for the Corran Ferry would be prohibitive in terms of the project going ahead and whether the public was being misled on this issue;

- extensive consultation was being carried out locally in relation to the Corran Ferry to gather as much information as possible before arriving at any decision. This included with a range of partners and stakeholders and public meetings that had also been arranged;
- an explanation was sought and provided that the variance shown on the Ferries and Harbours budget was due to external funding received from the Scottish Government in respect of Uig Ferry Terminal; and
- clarification was sought and provided that the Roads Structural Capital Works related to capital investment for larger more structural schemes and not day to day repairs such as potholes.

Thereafter, the Committee **NOTED** the:

- spend for Q2 2022/23, the estimated year end outturn and the funding profile;
- whole life financial overview and risk assessment rating for the major capital projects; and
- review of the capital programme remains ongoing and an update would be brought to a special meeting of the Council on a date yet to be determined.

**5. Revenue and Performance Monitoring to 30 September 2022
Sgrùdadh Teachd-a-steach agus Coileanadh gu 30 Sultain 2022**

**a. Depute Chief Executive's Service
Seirbheis an Iar-Àrd-Oifigeir**

There had been circulated Report No **RES/26/22** by the Acting Depute Chief Executive.

The Committee **NOTED** the:

- latest forecasted outturn for Quarter 2 for the 2022/23 financial year; and
- performance information provided at Section 7 of the report.

**b. Resources and Finance Service
Seirbheis nan Goireasan agus an Ionmhais**

Declaration of Interest: Mr M Green declared an interest in this as a director as a Director of Nairn Connects BID and left the meeting for this item.

Transparency Statement: Mr A Christie made a Transparency Statement in respect of this item as General Manager of Inverness Badenoch and Strathspey Citizens Advice Bureau. However, having applied the objective test, reviewed his position in relation to the item and any personal connection, he did not consider that he had an interest to declare.

There had been circulated Report No **RES/27/22** by the Acting Depute Chief Executive.

The Chair advised that the Service Delivery Team within the Business Support Section of the Service had been independently confirmed by the Department of Work and Pensions as Scotland's top performing housing benefit team for quarter 1 of 2022/23 in respect of managing changes in circumstances and were third equal in Scotland for new claims.

During discussion, the following main points were raised:

- Members congratulated the Head of Revenues and Customer Service and her Team on the above award and in dealing with customers affected by the current financial environment in a professional and sympathetic manner. In addition, the Team should be commended on delivering continual improvement, reference being made to the Council Tax collection rates;
- information was sought and provided on the range of assistance provided to provide relief to the increasing number of people who were in negative income and under financial pressure due to debt, balanced against the need for the authority to collect the Council Tax;
- the people and businesses of the Highlands should also be commended for their part in the performance levels achieved; and
- in considering Council Tax policy with the Scottish Government and COSLA, the levers and discounts that could be applied to protect those on low incomes from Council Tax rises.

Thereafter, the Committee **NOTED** the:

- revenue position for the Quarter 2 period to 30 September 2022;
- statutory performance indicators, local key performance measures and where available, comparisons to Scottish averages; and
- 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.

**c. Performance and Governance Service
Seirbheis a' Choileanaidh agus an Riaghlachais**

There had been circulated Report No **RES/28/22** by the Executive Chief Officer Performance and Governance.

During discussion, the following main points were raised:

The Committee **NOTED** the:

- revenue monitoring position for the period 1 April 2022 to 30 September 2022;
- Directorate was on track to deliver all approved savings by the end of the financial year; and
- Directorate's performance information.

**6. Annual Procurement Report 2021/22
Aithisg Sholair Bhliadhna 2021/22**

Transparency Statement: Mr A Christie made a Transparency Statement in respect of this item as General Manager of Inverness Badenoch and Strathspey Citizens Advice Bureau. However, having applied the objective test, reviewed his position in relation to the item and any personal connection, he did not consider that he had an interest to declare.

There had been circulated Report No **RES/29/22** by the Head of Finance.

During discussion, the following main points were raised:

- the good news set out in the report in relation to the percentage of spend for local suppliers and the jobs created;

- in terms of the financial efficiencies achieved, an explanation was sought and provided on how these efficiencies were measured and benchmarked;
- an update was sought and provided on the work ongoing to move towards fair work practices being in all regulated contracts and below threshold procurements. An assurance was also provided that Scotland Excel, of which the Council was a member, was moving towards all of their contractors meeting conditions in this regard; and
- the focus on community benefit in the annual procurement report be welcomed.

Thereafter, the Committee **APPROVED** the content and publication of the Highland Council Annual Procurement Report 2021-2022 as set out in Appendix 1 to the report.

7. Information Governance Policy Framework Frèam Poileasaidh Riaghlachas Fiosrachaidh

Transparency Statement: Mr A Christie made a Transparency Statement in respect of this item as he had a connection in his capacity as a Non-executive director of NHS Highland. However, having applied the objective test, reviewed his position in relation to the item and any personal connection, he did not consider that he had an interest to declare.

There had been circulated Report No **RES/30/22** by the Executive Chief Officer Performance and Governance.

The Committee:

- APPROVED** the policies which make up the Information Governance Framework; and
- AGREED** that future updates to these policies were agreed by the Information Governance Board and would come back to Committee for approval where necessary.

8. ICT Services - User Satisfaction Performance Survey (SOCITM) Suirbhìdh Riarachas Luchd-cleachdaidh SOCITM Bliadhna nan Seirbheisean ICT

There had been circulated Report No **RES/31/22** by the Acting Depute Chief Executive.

During discussion, the following main points were raised:

- congratulations were expressed to officers and their teams for their hard work managing the transition from a previous external provider to the in-house provision;
- Members welcomed the steady customer satisfaction results. In addition, the ICT team were also praised for their quick responses to recent Member queries;
- the RAG analysis indicated that customer satisfaction levels were consistently high and it was suggested that the green target should be increased, perhaps to 95%, to encourage improvement;
- regarding Appendix 1 to the report – benchmarking high level comparison data – further information was sought and provided on who the Council was being benchmarked against and if this was considered a fair comparison; and
- clarification was sought and provided regarding table 2 of Appendix 1 – Key Driver Analysis – Overall Top 5 which was the top five areas users had indicated satisfaction with the service.

Thereafter, the Committee **NOTED** the:

- i. initial level of service improvement and increase in user satisfaction levels; and
- ii. ICT Team were committed to undertaking further SOCITM benchmarking exercises in the areas of Cost; Performance and Delivery of ICT Services and would report back to Members these outcomes over the next 2 years, ensuring that best value was achieved, and performance was scrutinised.

**9. Annual OHSW Report and Plan 2021/22
Aithisg agus Plana Bliadhna OHSW 2021/22**

Transparency Statement: Mr A Christie made a Transparency Statement in respect of this item as he had a connection in his capacity as a Non-executive director of NHS Highland. However, having applied the objective test, reviewed his position in relation to the item and any personal connection, he did not consider that he had an interest to declare.

There had been circulated Report No **RES/32/22** by the Interim Head of People.

During discussion, Members raised the following issues:

- the Council's low rate of reportable injuries was welcomed;
- it was queried whether the small team responsible for managing Health and Safety (H&S) was sufficient, given the number of staff employed by the Council, and noting there were vacancies in the team. In response, it was clarified that although the team was managing the H&S risks on a daily basis, this was with the assistance of Trade Union representatives, Service staff, and 'train the trainer' initiatives, and that for the longer term, full assurance could not be provided. It was hoped approval would be provided for continued recruitment, and the process for vacancy approval was summarised, especially for statutory positions, with assurance provided that safety remained a key criteria. H&S was the responsibility of everyone in the organisation and this was reinforced through the induction process and at regular staff and management meetings;
- it was queried whether the vacancies could be a cause of the lower rate of accident reporting, and it was suggested the Chair of Audit and Scrutiny Committee should consider the internal audit arrangements for this area. In response, the Acting Depute Chief Executive clarified the process for H&S risks to be considered at different levels of the organisation and added to the Corporate Risk Register if appropriate. Attention was drawn to the increased number of reported 'near misses' which suggested robust active management of H&S;
- it was queried whether the significant numbers of staff still working from home contributed to the relatively low number of accidents reported, however it was clarified that accidents only required to be reported if they resulted in an absence of more than seven days, therefore it was unlikely that accidents of this nature would not be reported, even if they occurred in someone's home;
- information was sought and provided on work being undertaken to address shortages of Responsible Premises Officers, with a review of this function being undertaken by the Property Team; and
- in relation to fire risk assessments, it was queried why maintenance-related actions were being delayed. In response, this was sometimes the result of budget-related issues, but good practice, policies, and training for action in the event of fire could mitigate maintenance delays, and 'get out, stay out' remained the key message.

Thereafter, the Committee **NOTED** the:

- i. updated health, safety and wellbeing issues and developments contained in the report;
- ii. updated OHSW Annual Report for 2021/22 attached at Appendix 1 to the report; and
- iii. OHSW Strategy for 2022-25 at Appendix 2 to the report..

**10. Non-Domestic Rates - Empty Property Relief Scheme
Faochadh Thogalaichean Falamh Reataichean Neo-Dhachaigheil**

Declaration of Interest: Mr D Louden declared an interest in this item as a director of the Tain Heritage Trust and left the meeting for this item and Mr C Munro assumed the position of Chair.

There had been circulated Report No **RES/33/22** by the Executive Chief Officer Communities and Place.

During discussion, the following issues were raised:

- Members voiced support for the pragmatic proposals contained in the report, which would provide 15-16 months for a decision to be made on how to take things forward into 2024 and beyond;
- in formulating policy for 2024 and beyond, it was important to consider the upper storeys of city and town centre properties, several of which had absentee landlords, and many of which could be brought into use for much-needed housing; and
- it was suggested there should be taper relief for small businesses from zero to £12,000, and that holiday cottages should not be permitted to register as small businesses, which could be a significant revenue source going forward.

The Committee:

NOTED:

- i. the existing legislation for Empty Property Relief scheme would be repealed from 31 March 2023 when powers to establish a replacement scheme would pass to local authorities;
- ii. this Highland-wide scheme supported local businesses and therefore the local economy; and
- iii. the Scottish Government would confirm distribution of the quantum in due course and as a result the proposed Scheme set out in this report assumed that the Council's allocation would enable the Scheme from 1 April 2023 to be deliverable within budget.

AGREED:

- i. the proposed Highland Council Empty Property Relief Scheme effective from 1 April 2023 for 2023/24 as set out in section 6 to this report;
- ii. that should the Scheme be undeliverable within the quantum that a further report setting out a modified Scheme for 2023/24 be provided to a future meeting for Members' consideration; and
- iii. that a review of the Scheme for 2023/24 be undertaken to provide Members with a proposed Scheme which would take effect from 1 April 2024.

At this point, Mr Louden resumed the position of Chair.

11. Treasury Management Rianachd Ionmhais

a. Summary of Transactions Geàrr-chunntas Ghnothaichean

There had been circulated Report No **RES/34/22** by the Head of Corporate Finance.

The Committee **NOTED** the Treasury Management Summary of Transactions reports for the period to 30 September 2022.

b. Mid-year Treasury Management Report 2022/23 Aithisg Stiùireadh Ionmhais Meadhan-bliadhna 2022/23

There had been circulated Report No **RES/35/22** dated 16 November 2022 by the Head of Corporate Finance.

During discussion, information was sought on why £1.2b of borrowing had been authorised and a brief summary was provided of Local Authority borrowing for capital investment programmes, the impact of interest rates, and the long-term nature of the debt. A briefing on this for all Members was requested.

Thereafter, the Committee **NOTED** the Mid-year Treasury Management report for 2022/23 and **AGREED** to hold a Members' briefing on financial issues relating to the Capital Programme, such as borrowing rates and loans.

MINUTES OF MEETINGS GEÀRR-CHUNNTAS CHOINNEAMHAN

12. Minutes of Meetings Geàrr-chunntasan Choinneamhan

Transparency Statement: Mr A Christie made a Transparency Statement in respect of this item as he had a connection in his capacity as a Non-executive director of NHS Highland. However, having applied the objective test, reviewed his position in relation to the item and any personal connection, he did not consider that he had an interest to declare.

The following Minutes of Meetings had been circulated for confirmation:

- i **APPROVED** the Minutes of the Central Safety Committee held on 7 October 2022;
- ii **NOTED** the Minutes of the Appeals and Disputes Committee held on 4 November 2022; and
- iii **APPROVED** the Minutes of the Staff Partnership Forum held on 11 November 2022.

13. 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 Paragraph 6 of Part 1 of Schedule 7A of the Act.

14. Debts Recommended to be Written Off
Fiachan gam Moladh airson Dì-sgrìobhadh

There had been circulated Report No **RES/36/22** by the Executive Chief Officer Communities and Place.

The Committee **AGREED** the recommendations as set out in the report.

The meeting was closed at 12.45pm.