

**The Highland Council
No. 1 2023/2024**

Minutes of Special Meeting of the Highland Council held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on Thursday, 2 March 2023 at 10.35 am.

**1. Calling of the Roll and Apologies for Absence
A' Gairm a' Chlàir agus Leisgeulan**

Present:

Mr C Aitken	Mr B Lobban
Ms S Atkin	Mr P Logue
Mr M Baird	Mr D Louden
Mr A Baldrey	Mr A MacDonald
Mr C Ballance	Mr W MacKay
Dr C Birt	Mr G MacKenzie
Mr B Boyd	Mrs I MacKenzie
Mr R Bremner	Mr S Mackie
Mr I Brown	Mr A MacKintosh
Mr J Bruce	Mr R MacKintosh
Mr M Cameron	Mrs A MacLean
Mrs I Campbell	Ms K MacLean
Mrs G Campbell-Sinclair	Mr T MacLennan
Mr A Christie	Mr D Macpherson
Mrs M Cockburn	Mrs B McAllister
Ms T Collier	Ms J McEwan
Ms H Crawford	Mr J McGillivray
Ms S Fanet	Mr D Millar
Mr J Finlayson	Mr H Morrison
Mr D Fraser	Mr C Munro
Mr L Fraser	Mrs P Munro
Mr R Gale	Ms L Niven
Mr K Gowans	Ms M Nolan
Mr J Grafton	Mr P Oldham
Mr A Graham	Mrs M Paterson
Mr M Green	Ms S Rawlings
Mr D Gregg	Mrs M Reid
Mr R Gunn	Mr M Reiss
Mrs J Hendry	Mr A Rhind
Ms M Hutchison	Mrs T Robertson
Mr A Jarvie	Mr K Rosie
Mrs B Jarvie	Mrs L Saggars
Mr S Kennedy	Mr A Sinclair
Ms L Johnston	Ms M Smith
Mr R Jones	Mr R Stewart
Ms E Knox	Ms K Willis
Ms L Kraft	

In Attendance:

Interim Chief Executive
Interim Depute Chief Executive
Executive Chief Officer Communities and Place
Executive Chief Officer Education and Learning
Executive Chief Officer Health and Social Care
Executive Chief Officer Housing and Property

Mr B Lobban in the Chair

Business

1. **Calling of the Roll and Apologies for Absence** **Gairm a' Chlàir agus Leisgeulan**

An apology for absence was intimated on behalf of Ms M MacCallum.

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

The Council **NOTED** the following Declaration of Interest in respect of Item 3:-

Mrs B Jarvie, as an employee of an ELC provider.

The Council also **NOTED** that the undernoted Members declared Transparency Statements in respect of Item 3 but, having applied the objective test, did not consider that they had an interest to declare:-

Ms S Atkin, having previously been a trustee of SNAP

Mr M Cameron, as a close family member is an employee of the Council

Mr A Christie, as a Non-executive Director of NHS Highland, as General Manager of Inverness Badenoch and Strathspey Citizens Advice Bureau and as a parent of a child in secondary education

Mr K Gowans – as a close family member is employed by High Life Highland

Mr D Gregg – as an employee of NHS Highland and a Director of Inverness Citizens Advice Bureau

Mrs J Hendry - as a family member is an employee of High Life Highland

Mr A Jarvie – as a family member was an employee of a childcare provider

Mr B Lobban - as an advisor to the Board of Grantown Museum

Mr S Mackie - as a co-ordinator of the National Campaign for Fair Funeral Fees

Mrs M Paterson - as the Chair of the Highland Football Trust and a Board Member of the Puffin Pool

Mrs T Robertson - as a family member is on the Board of SNAP

Mr R Stewart - a family member was an employee of Highland Council

3. **Revenue and capital budgets 2023/24 and medium-term financial outlook** **Buidseat Teachd-a-steach 2023/24**

Declaration of Interest: Mrs B Jarvie declared an interest in this item as an employee of an ELC provider and, in accordance with paragraph 5.6 of the revised Code of Conduct, she left the meeting for this item.

There had been circulated Report No. HC/01/23 dated 21 February 2023 by the Interim Chief Executive.

The Council Leader, in moving the recommendations within the report, introduced the budget proposals and thanked officers and the Administration for preparing the budget now before Members. He explained that the high rate of inflation, the Cost of Living crisis, the rise in the cost of fuel and higher than anticipated wage increases had been a huge challenge in preparing the budget. The formation of the budget had been compounded by the lack of certainty of key funding factors through Government and CoSLA and clarity in respect of the relaxation and flexibility of ringfenced funding. Indeed, he had only that morning received a letter

from the Scottish Government about the use of ringfenced funds for second homes. The Council was faced with a projected budget gap of nearly £50m but at the same time it was important to protect Highland communities from the high-level impact of Council Tax and rent increases and therefore a Council Tax increase of 4%, one of the lowest increases in Scotland, was proposed. He continued by detailing how the remaining gap would be addressed and emphasised that, as many budget savings would be difficult, there was a commitment to a monthly budget review by the Senior Leadership Group and a mid-year Council review in September.

The savings proposals sought to deliver greater efficiencies in service delivery, increased income and greater concentration on the Council's core service provision. There were also examples where groups had received legacy funding from the Council but this had become unsustainable but, in recognising the valuable contribution these groups made to communities and with other funding sources available, a commitment was given that officers would support these groups in identifying alternative funding sources. This would enable the Council to support key core services but redesign would also be a fundamental consideration as would investment. He detailed a number of such proposals including, with the state of the roads being the main concern of many, the creation of a Rapid Repair Response Team for potholes. He was also pleased to report additional investment for foster carers, kinship carers and adoptive parents and it was hoped this would go some way towards keeping Highland's children in Highland. In concluding, and looking to the future, he pointed out that every effort had been made to minimise the use of Reserves.

The Leader of the Opposition expressed his disappointment at being unable to present an alternative budget within the time available. This was because the Council was not set up to support that process and also the lack of consultation by the Administration. The mid-year budget review was therefore critical and he hoped the Administration would be inclusive, collaborative and transparent. Referring to the Administration's Investment Strategy he had a number of questions and suggestions, namely, that a proportion of the Council Tax could be used to fund loans charges which would allow an extra £23m of capital investment to be used to address the unsatisfactory nature of the Authority's roads; the £6.5m investment for waste and recycling was not Council monies but a grant that had been applied for; whilst welcoming the increased investment for foster carers etc, overall there was now a net deficit for the Health and Social Care budget; and noted that the Administration had not supported the call at the recent Corporate Resource Committee to write to the Scottish Government about Learning Estate Investment Programme (LEIP) funding.

Looking to the future the Council could end up in a position where it had either no or negative Reserves and it was important action was taken to prevent this. He challenged a number of the Administration's savings proposals but SNAP, a charity helping young people and their families with Additional Support Needs (ASN), was highlighted in particular. This group did excellent work and the impact of this cut would be significant. It was accepted by the Joint Opposition Group that not everything could be saved but the amendments put forward hopefully would reduce some of the harshness of the proposed cuts.

The Leader of the Conservative and Unionist Group said that they did not underestimate the difficulty of setting the budget or the magnitude of the challenge. It had been difficult for them to give the budget proper scrutiny with only a week to consider the papers. Many of the problems stemmed from the settlement received from the Scottish Government and yet the Scottish Government had been underspent by £2 billion last year and it was suggested that the Secretary of

Finance and Economy be invited to meet with Highland Council to see the consequences of underfunding. In supporting a number of amendments, particular attention was focused on Early Learning and Childcare (ELC), an issue hugely important to many Highland families. The Administration had proposed a freeze on the interim uplift and it was unfair to expect ELC partners to survive with no financial relief and therefore a modest 3% increase was proposed. The alternative was that some of these private nurseries would close with Highland Council nurseries, often more expensive to run, then having to fill the gap. Furthermore, there was no impact assessment or risk analysis such action would have on attainment in the long term.

The Leader of the Scottish Green Party argued that 13 years of Westminster austerity had made public sector worker pay increases unaffordable and this was now having a detrimental effect on public services. In considering an increase in Council Tax it was acknowledged the hardship that many would then face. Taking this into account his Group proposals prioritised people, jobs and climate. With village halls being the hub of many rural communities it was important they were supported. And SNAP, as referred to earlier, carried out some irreplaceable work and the removal of Council funding would send out a wrong message to their potential funders. His Group's proposal was that their funding be retained and to reverse cuts to the maintenance of public toilets and community facilities. Also, in relation to retaining funds for employability, they recognised the importance the role the Third Sector had for the unemployed and vulnerable to support them and equip them to becoming full members of society and many of these Third Sector organisations had previously received funding before the UK had left the European Union. The Scottish Green Party's proposal still included a huge increase to roads maintenance as compared to three years previously and only released a modest amount of top slicing.

During general discussion, Members raised the following main points:-

- gratitude was expressed to the Members and Officers involved in preparing the budget proposals, recognising the amount of work involved;
- investment in foster and kinship carer allowances under the Health and Social Care budget aimed to increase the number of Council carers. Savings would be delivered through senior management restructure and the Families First strategy. These measures sought to reduce the number of children in residential and out of authority placements and improve outcomes;
- delivering improved and positive outcomes for children and young people had been at the centre of the decision-making process and engagement on the Education budget. The budget sought to provide stability and assurance that core services would not be affected, the main elements of the Service Plan could be actioned, and best practice and value was delivered;
- the need for Members to consider the statement in the report that it was the view of the Chief Financial Officer that the Council, in its current form and model of service delivery, was not financially sustainable over the medium term;
- Services had scrutinised all aspects of delivery and budgets to deliver investments and savings that least impacted statutory service delivery while seeking to support and improve the Council's other areas of responsibility;
- the recommended increase in the Council Tax was the lowest in Scotland. The careful use of reserves had resulted in the Council being in a better financial situation than others. Using additional reserves to provide temporary mitigation of savings would be reckless;

- the roads infrastructure was a main priority for the public and the need to maintain the condition of roads so they were fit for purpose and did not hinder tourism and trade, and most importantly were safe;
- a plea that the Administration request the Scottish Government to review the funding formula for roads to ensure the more equitable allocation of funding to rural local authorities;
- a paper be brought to the relevant strategic committee on the feasibility of shifting the liability for compensation claims from the public for damage to vehicles from the roads budget to the insurance fund;
- officers' time and attention needed to be redirected towards seeking funding for a new Corran Ferry;
- there had been a lack of collaboration with opposition Members on the budget and no opportunity to share ideas on savings, income generation, smarter working and tackling the climate emergency during a cost of living crisis;
- concern was expressed at the lack of impact assessments on communities and local voluntary organisations arising from the budget. In addition, the potential for third sector partners to deliver some services more efficiently than the Council should be considered in terms of its public service obligations;
- there was concern at the freeze in funding for ELC partners, recognising they were subject to the same financial pressures as the Council. This did not respect or reflect the valuable contribution these organisations made to childcare in the Highlands, helping the Council meet its statutory obligations, enabling parents to work and live in the area and in sustaining rural communities;
- concern was also expressed at the proposed reduction in funding for third sector early years organisations, recognising the importance of the services they provided, often at low cost, and the impact of these savings on the vulnerable children and low-income families. Specific details were provided on the essential services provided by SNAP for young people with additional support needs;
- the proposal to reprofile funds from the Climate Action, Long Distance Paths and Active travel budgets was challenged. The main focus should be on promoting low carbon modes of transport that benefited the climate and supported health and wellbeing, tourism and employment in the Highlands;
- the savings in relation to mental health and wellbeing were premature at this stage, reference being made to the lack of information, impact assessments, evaluations and insight into how the needs of young people would be catered for in future;
- there was a need for a willingness to review the current budget process and deliver structural and cultural change within the Council that embraced change and new ideas that delivered a meaningful difference;
- delivering a budget for the people of Highland was of utmost importance, and it was acknowledged that every Elected Member would do so in a slightly different way;
- it was a difficult time for public finances due to inflationary pressures and increasingly high interest rates. However, the report was full of context and outlined the challenges facing the Council and the country as a whole;
- despite the challenges, the proposed budget would provide investment in roads, vulnerable young people and families and how the Council handled waste and communicated with residents;
- the condition of the roads in Highland caused frustration and worry and detracted from the quality of life of many people, particularly in rural areas like Skye where the distances travelled were greater and people spent more time driving. The approach outlined in the report was welcomed and gave hope that the Council could begin to gradually improve the condition and ranking of the road network;

- attention having been drawn to the figures in Appendix 10 of the report, it was commented that the Council would have negative reserves by 2026/27 yet most of the amendments proposed by the Opposition were funded by the use of reserves. The amendments had a recurring impact whereas reserves could only mitigate temporarily;
- as stated in the report, the use of reserves to balance the budget reduced funding available for investment and merely deferred making the changes needed to ensure financial sustainability. Any further use of reserves should be for investment that generated a return rather than to reduce any of the recurring savings contained in the budget proposals;
- the devastating impact of funeral poverty had been present in Highland long before the current cost of living crisis. The death of a loved one was often an unexpected event that could create a financial burden for families and close friends, and a Freedom of Information request had revealed that Highland was one of the most expensive places in the country in terms of funeral costs. Thanks were expressed to the Administration for not proposing to increase the costs of internments and cremations, albeit Highland remained between 15-20% more expensive than the national average when all fees were considered, and it was asked that they go a step further and eliminate the proposed increase in lair charges amounting to £23k;
- in relation to proposed saving 5.1, reference was made to the range of services provided by Pultneytown People's Project including childcare, care at home, supporting children from deprived areas to get the life skills they needed, and a lunch club for elderly people. Whilst it was appreciated that other funding sources were available, many other organisations would be bidding for the same funding and concern was expressed that removing grant funding of £25k could lead to job losses or people having to give up work as they could not afford other childcare;
- whilst the additional investment in roads was to be welcomed, more funding was required, particularly in Caithness. In addition, it was questioned where the proposed Rapid Road Repair Team would be based;
- Caithness had amongst the highest rates of suicide in Highland, and it was necessary to expand, rather than reduce, mental health services;
- the aim of keeping children in Highland was at odds with the closure of Avonlea children's home in Caithness;
- concern was expressed regarding the proposed saving of £600k in respect of the Virtual Academy, the effect of which was unknown in the absence of an evidenced impact report. Details were provided of a report to the Education Committee in February 2022 which highlighted the importance of digital learning provision, the increase in the number of pupils studying qualifications through the Virtual Academy and that some of the most popular subjects were advanced qualifications in STEM subjects. By implementing the proposed saving, the Council could be disproportionately targeting learners in rural areas by withdrawing opportunities for specialist teaching that were still available in larger schools. Concern was also expressed that the proposal would remove access to STEM subjects altogether for some pupils and directly contradicted the Scottish Government's STEM education strategy. The issue of how to cater equitably for pupils across Highland was only going to become more acute and cutting the Virtual Academy now could be short-sighted as it might need to be restored in the future at a higher cost;
- the need for financial stability was acknowledged. However, reserves would be used this year with or without the amendments proposed by the Opposition;
- it was understood it had not been possible to carry out an independent impact assessment of the budget in terms of carbon reduction as baseline figures were not available, and next year it was hoped to see something more meaningful

than a statement about how getting rid of assets would reduce carbon emissions;

- several Members spoke in support of the proposed amendment in respect of saving 3.15, questioning how the saving could be described as low impact during a mental health crisis and contending it would have an impact on the NHS, third sector organisations and people, particularly the most vulnerable. There was a need for preventative measures and early intervention, and any mitigation of the proposed saving would have a positive effect on services and people's wellbeing;
- it was welcomed that the proposed increase in Council Tax had been kept as low as possible and well below the rate of inflation;
- a confirmed date was sought for the proposed mid-year review, and the need for greater urgency and more cross-party engagement was emphasised;
- it was important to acknowledge that one of the reasons the Council was in such a difficult financial situation was that the core grant from the Scottish Government had increased by just 0.3% at a time when inflation was between 5-10%;
- the services provided by the organisations impacted by proposed saving 5.1 were delivered mainly by volunteers and their value to communities greatly outweighed the saving, which amounted to just 0.5% of the total. In addition, if there were other Council funds that could be applied for, it was questioned why organisations had not been informed of them previously;
- attention was drawn to Appendix 4 of the report and the disparity between local authority funding in Scotland and England;
- tourists came to Highland for the scenery, culture and traditions, including traditional Scottish music and Gaelic singing, and Members were urged to support the proposed amendment in respect of saving 5.2. In relation to Lochaber Music School in particular, which was attended by 120 students each week, the funding of £9k provided by the Council enabled it to access further funding of £50k which allowed it to keep going;
- attention was drawn to the poor condition of the roads in Highland, the importance of the road network to the Highland economy, as well as to the wellbeing of local communities, and this was recognised in the proposed budget. The plan for a rapid pothole response team was particularly welcome. Some Members felt it was important to balance the budget without using the Council's reserves, while others felt the roads were in such poor condition, it was necessary to use some of the Council's reserves to increase the budget to avoid further deterioration of the roads;
- some Members spoke against the removal of discretionary spending to SNAP, Toybox Gairloch, Pultneytown Peoples Project, FCSS, Fas Mor, and Allsorts, citing the important work undertaken by them. It was suggested that the amounts of money given to each were small in relation to other Council budget lines. Other Members also expressed disappointment but pointed out the intention for officers and Members to work with the organisations involved to identify alternative sources of funding to offset the reduction in the Early Years budget. It was also pointed out that any funding provision should be equitable across the Highlands and that it was important that these organisations transitioned towards a more permanent source of funding;
- attention was drawn to the wider economic setbacks being faced, including Brexit, Covid recovery, high inflation, and the fuel and cost of living crisis, which had all contributed to a challenging budget situation. The Council had minimised Council Tax and Council rent increases to benefit residents, and it was proposed that no more should be taken from Council reserves;

- it was noted that in relation to the proposal to apply an increased charge of 5% in lair purchases, some Members wished the charge to be scrapped, while others had suggested doubling it. With a 5% increase, Highland would still be lower than the national average;
- attention was drawn to the £333k of capital investment in public conveniences over the coming two years;
- some Members felt the proposed saving of £600k in relation to the Highland Virtual Academy should be withdrawn, pointing out the many benefits for the initiative both during Covid and on an ongoing basis, including plans to increase the accessibility of Gaelic across the Highlands;
- it was short-sighted to reduce the budget for mental health services, citing the issues being faced by many young people, some of which had resulted from Covid challenges. Attention was drawn to funding being provided to NHS Highland by the Scottish Government for Child and Adolescent Mental Health Services;
- investment in more robust chrome books for schools would hopefully result in less loss and damage; and
- specific reference was made to the contentiousness of car parking charges in Dingwall.

Following summing up by the movers of the amendments, the Council proceeded to the vote as follows:-

Mr A MacDonald, seconded by Mr J Bruce, moved that saving 5.2 is focussed on arts, culture, sports, music and community organisations and whilst these are often the first areas to be looked at in times of financial challenge, organisations need time to plan ahead and the securing of alternative funding takes time. For these reasons he proposed that Lochaber Music School £9k, Aros (Skye) £7k, Highland Print Studio £7k receive their full year funding in 2023/24, This reduces the saving in the budget by £23k which will be funded by use of reserves in 2023/24.

Following a vote between the Motion from the Leader of the Council, seconded by Mr J Finlayson, and the Amendment from Mr A MacDonald, seconded by Mr J Bruce, the **MOTION** received 39 votes and the **AMENDMENT** received 33 votes, with no abstentions, and the **MOTION** was therefore **CARRIED**, the votes having been cast as follows:-

For the Motion:

Ms S Atkin, Dr C Birt, Mr B Boyd, Mr R Bremner, Mr I Brown, Mr M Cameron, Mrs B Campbell, Mrs G Campbell-Sinclair, Mrs M Cockburn, Ms T Collier, Ms S Fanet, Mr J Finlayson, Mr D Fraser, Mr L Fraser, Mr K Gowans, Mr M Green, Mrs J Hendry, Ms M Hutchison, Ms L Johnston, Mr R Jones, Mr S Kennedy, Ms E Knox, Ms L Kraft, Mr B Lobban, Mr D Loudon, Mr W MacKay, Mr G MacKenzie, Ms K MacLean, Mr T MacLennan, Mr D Millar, Mr H Morrison, Mr C Munro, Ms P Munro, Ms L Niven, Mr P Oldham, Mrs M Paterson, Mrs M Reid, Mr A Rhind, Mr K Rosie

For the Amendment:

Mr C Aitken, Mr M Baird, Mr A Baldrey, Mr C Ballance, Mr J Bruce, Mr A Christie, Mrs H Crawford, Mr R Gale, Mr J Grafton, Mr A Graham, Mr D Gregg, Mr R Gunn, Mr A Jarvie, Mr P Logue, Mr A MacDonald, Mrs I MacKenzie, Mr S Mackie, Mr A MacKintosh, Mr R MacKintosh, Mrs A MacLean, Mr D Macpherson, Mrs B McAllister, Ms J McEwan, Mr J McGillivray, Ms M Nolan, Ms S Rawlings, Mr M

Reiss, Mrs T Robertson, Mrs L Saggars, Mr A Sinclair, Ms M Smith, Mr R Stewart, Ms K Willis

Ms M Nolan, seconded by Mrs T Robertson, moved that saving 6.8 Virtual Academy £600k be withdrawn. The impact assessment and explanation were insufficient to understand how this will be managed moving forward other than for "interrupted learner" provision once the saving is taken. In February 2022 it was reported that 187 pupils across 27 Associated School Groups access the service which was a significant rise of learners compared to previous years. On this basis she proposed that the saving was not well-reasoned or evidenced to progress and should therefore be removed from the list of savings with the funding to do so coming from reserves.

Following a vote between the Motion from the Leader of the Council, seconded by Mr J Finlayson, and the Amendment from Ms M Nolan, seconded by Mrs T Robertson the **MOTION** received 42 votes and the **AMENDMENT** received 29 votes, with 1 abstention, and the **MOTION** was therefore **CARRIED**, the votes having been cast as follows:-

For the Motion:

Ms S Atkin, Mr C Ballance, Dr C Birt, Mr B Boyd, Mr R Bremner, Mr I Brown, Mr M Cameron, Mrs B Campbell, Mrs G Campbell-Sinclair, Mrs M Cockburn, Ms T Collier, Ms S Fanet, Mr J Finlayson, Mr D Fraser, Mr L Fraser, Mr K Gowans, Mr M Green, Mrs J Hendry, Ms M Hutchison, Ms L Johnston, Mr R Jones, Mr S Kennedy, Ms E Knox, Ms L Kraft, Mr B Lobban, Mr D Louden, Mr W MacKay, Mr G MacKenzie, Mr R MacKintosh, Ms K MacLean, Mr T MacLennan, Mr D Millar, Mr H Morrison, Mr C Munro, Ms P Munro, Ms L Niven, Mr P Oldham, Mrs M Paterson, Mrs M Reid, Mr A Rhind, Mr K Rosie, Ms K Willis

For the Amendment:

Mr C Aitken, Mr M Baird, Mr J Bruce, Mr A Christie, Mrs H Crawford, Mr R Gale, Mr J Grafton, Mr A Graham, Mr D Gregg, Mr R Gunn, Mr A Jarvie, Mr P Logue, Mr A MacDonald, Mrs I MacKenzie, Mr S Mackie, Mr A MacKintosh, Mrs A MacLean, Mr D Macpherson, Mrs B McAllister, Ms J McEwan, Mr J McGillivray, Ms M Nolan, Ms S Rawlings, Mr M Reiss, Mrs T Robertson, Mrs L Saggars, Mr A Sinclair, Ms M Smith, Mr R Stewart

Abstentions:

Mr A Baldrey

Mr S Mackie, seconded by Mr M Baird, moved that saving 7.17 Increase in Lair Prices £23k be withdrawn. Whilst a small saving he was aware that over the pandemic period many Highland residents had already lost family and friends and may well have had the financial burden of funeral related costs. He therefore proposed that no increase be applied in 2023/24 and the funding to cover the saving comes from reserves.

Following a vote between the Motion from the Leader of the Council, seconded by Mr J Finlayson, and the Amendment from Mr S Mackie, seconded by Mr M Baird the **MOTION** received 43 votes and the **AMENDMENT** received 29 votes, with no abstentions, and the **MOTION** was therefore **CARRIED**, the votes having been cast as follows:-

For the Motion:

Ms S Atkin, Mr A Baldrey, Mr C Ballance, Dr C Birt, Mr B Boyd, Mr R Bremner, Mr I Brown, Mr M Cameron, Mrs B Campbell, Mrs G Campbell-Sinclair, Mrs M Cockburn, Ms T Collier, Ms S Fanet, Mr J Finlayson, Mr D Fraser, Mr L Fraser, Mr K Gowans, Mr M Green, Mrs J Hendry, Ms M Hutchison, Ms L Johnston, Mr R Jones, Mr S Kennedy, Ms E Knox, Ms L Kraft, Mr B Lobban, Mr D Louden, Mr W MacKay, Mr G MacKenzie, Mr R MacKintosh, Ms K MacLean, Mr T MacLennan, Mr D Millar, Mr H Morrison, Mr C Munro, Ms P Munro, Ms L Niven, Mr P Oldham, Mrs M Paterson, Mrs M Reid, Mr A Rhind, Mr K Rosie, Ms K Willis

For the Amendment:

Mr C Aitken, Mr M Baird, Mr J Bruce, Mr A Christie, Mrs H Crawford, Mr R Gale, Mr J Grafton, Mr A Graham, Mr D Gregg, Mr R Gunn, Mr A Jarvie, Mr P Logue, Mr A MacDonald, Mrs I MacKenzie, Mr S Mackie, Mr A MacKintosh, Mrs A MacLean, Mr D Macpherson, Mrs B McAllister, Ms J McEwan, Mr J McGillivray, Ms M Nolan, Ms S Rawlings, Mr M Reiss, Mrs T Robertson, Mrs L Saggars, Mr A Sinclair, Ms M Smith, Mr R Stewart

Mrs I Mackenzie, seconded by Mr A Mackintosh moved that saving 5.1 would have, in the main, a disproportionate impact on vulnerable and disabled children as well as low-income families. The replacement of any funding streams takes time which is not fully recognised. Additionally, whilst these are areas of discretionary spend no evaluation had been presented on the impact on core council services of ceasing this financial support. It is for these reasons that she proposed the saving proposal of £90k should not be progressed. The loss of saving would be funded by use of reserves in 2023/24.

Following a vote between the Motion from the Leader of the Council, seconded by Mr J Finlayson, and the Amendment from Mrs I Mackenzie, seconded by Mr A Mackintosh the **MOTION** received 39 votes and the **AMENDMENT** received 33 votes, with no abstentions, and the **MOTION** was therefore **CARRIED**, the votes having been cast as follows:-

For the Motion:

Ms S Atkin, Dr C Birt, Mr B Boyd, Mr R Bremner, Mr I Brown, Mr M Cameron, Mrs B Campbell, Mrs G Campbell-Sinclair, Mrs M Cockburn, Ms T Collier, Ms S Fanet, Mr J Finlayson, Mr D Fraser, Mr L Fraser, Mr K Gowans, Mr M Green, Mrs J Hendry, Ms M Hutchison, Ms L Johnston, Mr R Jones, Mr S Kennedy, Ms E Knox, Ms L Kraft, Mr B Lobban, Mr D Louden, Mr W MacKay, Mr G MacKenzie, Ms K MacLean, Mr T MacLennan, Mr D Millar, Mr H Morrison, Mr C Munro, Ms P Munro, Ms L Niven, Mr P Oldham, Mrs M Paterson, Mrs M Reid, Mr A Rhind, Mr K Rosie

For the Amendment:

Mr C Aitken, Mr M Baird, Mr A Baldrey, Mr C Ballance, Mr J Bruce, Mr A Christie, Mrs H Crawford, Mr R Gale, Mr J Grafton, Mr A Graham, Mr D Gregg, Mr R Gunn, Mr A Jarvie, Mr P Logue, Mr A MacDonald, Mrs I MacKenzie, Mr S Mackie, Mr A MacKintosh, Mr R MacKintosh, Mrs A MacLean, Mr D Macpherson, Mrs B McAllister, Ms J McEwan, Mr J McGillivray, Ms M Nolan, Ms S Rawlings, Mr M Reiss, Mrs T Robertson, Mrs L Saggars, Mr A Sinclair, Ms M Smith, Mr R Stewart, Ms K Willis

Mr D Gregg, seconded by Mr A Graham, moved that the saving 3.15 Review Mental Health and Wellbeing be withdrawn. The explanation contained in the papers, the impact assessment and lack of evaluation of the pathfinder pilots by Council together with partnership agreements as to how this will be taken forward indicate that this saving is premature and should not be progressed at this stage, it

offered no insight into how the needs of our young people's mental health and wellbeing would be catered for in the future and therefore the £500k should be removed as a saving proposal. This loss of saving to be funded by use of reserves in 2023/24.

Following a vote between the Motion from the Leader of the Council, seconded by Mr J Finlayson, and the Amendment from Mr D Gregg, seconded by Mr A Graham, the **MOTION** received 39 votes and the **AMENDMENT** received 30 votes, with 3 abstentions, and the **MOTION** was therefore **CARRIED**, the votes having been cast as follows:-

For the Motion:

Ms S Atkin, Dr C Birt, Mr B Boyd, Mr R Bremner, Mr I Brown, Mr M Cameron, Mrs B Campbell, Mrs G Campbell-Sinclair, Mrs M Cockburn, Ms T Collier, Ms S Fanet, Mr J Finlayson, Mr D Fraser, Mr L Fraser, Mr K Gowans, Mr M Green, Mrs J Hendry, Ms M Hutchison, Ms L Johnston, Mr R Jones, Mr S Kennedy, Ms E Knox, Ms L Kraft, Mr B Lobban, Mr D Louden, Mr W MacKay, Mr G MacKenzie, Ms K MacLean, Mr T MacLennan, Mr D Millar, Mr H Morrison, Mr C Munro, Ms P Munro, Ms L Niven, Mr P Oldham, Mrs M Paterson, Mrs M Reid, Mr A Rhind, Mr K Rosie,

For the Amendment:

Mr C Aitken, Mr M Baird, Mr A Baldrey, Mr J Bruce, Mr A Christie, Mrs H Crawford, Mr R Gale, Mr J Grafton, Mr A Graham, Mr D Gregg, Mr R Gunn, Mr A Jarvie, Mr P Logue, Mr A MacDonald, Mrs I MacKenzie, Mr S Mackie, Mr A MacKintosh, Mrs A MacLean, Mr D Macpherson, Mrs B McAllister, Ms J McEwan, Mr J McGillivray, Ms M Nolan, Ms S Rawlings, Mr M Reiss, Mrs T Robertson, Mrs L Saggars, Mr A Sinclair, Ms M Smith, Mr R Stewart

Abstentions:

Mr C Ballance, Mr R MacKintosh, Ms K Willis

Ms K Willis, seconded by Mr R Mackintosh, moved A Green Budget as if Climate Action Mattered -

Earmarked Balances (app 9) Use the unallocated part (£738,000) of the £2m Climate Action, Green Energy and Jobs fund for energy efficiency measures in Council buildings – spending to save.

App 2) Restore the Long Distance Paths cut of £217,000.

App 6) Restore the Cut in capital spending on Active Travel £370,000

REDUCE Roads Revenue budget by £955,000 and capital budget by £370,000

OVERALL Roads Capital reduce by £569,000

Roads Revenue Reduce by £2,017,756

OVERALL ROADS - £2,586,756 Other income £46,000

Following a vote between the Motion from the Leader of the Council, seconded by Mr J Finlayson, and the Amendment from Ms K Willis, seconded by Mr R Mackintosh, the **MOTION** received 41 votes and the **AMENDMENT** received 6 votes, with 24 abstentions, and the **MOTION** was therefore **CARRIED**, the votes having been cast as follows:-

For the Motion:

Ms S Atkin, Dr C Birt, Mr B Boyd, Mr R Bremner, Mr I Brown, Mr M Cameron, Mrs B Campbell, Mrs G Campbell-Sinclair, Mrs M Cockburn, Ms T Collier, Ms S Fanet, Mr J Finlayson, Mr D Fraser, Mr L Fraser, Mr K Gowans, Mr M Green, Mr D Gregg,

Mrs J Hendry, Ms M Hutchison, Ms L Johnston, Mr R Jones, Mr S Kennedy, Ms E Knox, Ms L Kraft, Mr B Lobban, Mr D Louden, Mr W MacKay, Mr G MacKenzie, Ms K MacLean, Mr T MacLennan, Mr J McGillivray, Mr D Millar, Mr H Morrison, Mr C Munro, Ms P Munro, Ms L Niven, Mr P Oldham, Mrs M Paterson, Mrs M Reid, Mr A Rhind, Mr K Rosie

For the Amendment:

Mr A Baldrey, Mr C Ballance, Mr J Grafton, Mr A MacDonald, Mr R MacKintosh, Ms K Willis

Abstentions:

Mr C Aitken, Mr M Baird, Mr J Bruce, Mr A Christie, Mrs H Crawford, Mr R Gale, Mr A Graham, Mr R Gunn, Mr A Jarvie, Mr P Logue, Mrs I MacKenzie, Mr S Mackie, Mr A MacKintosh, Mrs A MacLean, Mr D Macpherson, Mrs B McAllister, Ms J McEwan, Ms M Nolan, Ms S Rawlings, Mr M Reiss, Mrs T Robertson, Mrs L Saggars, Ms M Smith, Mr R Stewart

Mr C Ballance, seconded by Mr A Baldrey, moved A Green Budget for People and Jobs -

Revenue: Continue for one year the current grants and funding:

5.1 SNAP £32,500

5.2 Highland Print Studio £7,000

Lochaber Music School £9,000

Village Hall grants £40,000 total available.

Earmarked Funds (App 9)– Retain the Employability unspent balance (£1,020,256) and use it for one year to replace the ESF funding for service providers such as Barnardos, New Start Highland etc.

Increase Fees 7.17 for purchase of lairs by inflation rate 10% (£23,000 extra income) 7.16 Increase parking fees and Permits by 10% (£23,000)

REDUCE Roads Revenue Costs by £1,062,756

Capital

Maintain spend on public conveniences (appendix 6) £166,000

Maintain essential works on Community & Leisure Facilities (app 6) £33,000

REDUCE Roads Capital cost by £199,000

Following a vote between the Motion from the Leader of the Council, seconded by Mr J Finlayson, and the Amendment from Mr C Ballance, seconded by Mr A Baldrey the **MOTION** received 42 votes and the **AMENDMENT** received 8 votes, with 21 abstentions, and the **MOTION** was therefore **CARRIED**, the votes having been cast as follows:-

For the Motion:

Ms S Atkin, Dr C Birt, Mr B Boyd, Mr R Bremner, Mr I Brown, Mr M Cameron, Mrs B Campbell, Mrs G Campbell-Sinclair, Mrs M Cockburn, Ms T Collier, Ms S Fanet, Mr J Finlayson, Mr D Fraser, Mr L Fraser, Mr K Gowans, Mr M Green, Mrs J Hendry, Ms M Hutchison Ms L Johnston, Mr R Jones, Mr S Kennedy, Ms E Knox, Ms L Kraft, Mr B Lobban, Mr D Louden, Mr W MacKay, Mr G MacKenzie, Mrs A MacLean, Ms K MacLean, Mr T MacLennan, Ms J McEwan, Mr J McGillivray, Mr D Millar, Mr H Morrison, Mr C Munro, Ms P Munro, Ms L Niven, Mr P Oldham, Mrs M Paterson, Mrs M Reid, Mr A Rhind, Mr K Rosie,

For the Amendment:

Mr A Baldrey, Mr C Ballance, Mr D Gregg, Mr A MacDonald, Mrs I MacKenzie, Mr R MacKintosh, Ms K Willis, Mrs L Sagers

Abstentions:

Mr C Aitken, Mr M Baird, Mr J Bruce, Mr A Christie, Mrs H Crawford, Mr R Gale, Mr J Grafton, Mr A Graham, Mr R Gunn, Mr A Jarvie, Mr P Logue, Mr S Mackie, Mr A MacKintosh, Mr D Macpherson, Mrs B McAllister, Ms M Nolan, Ms S Rawlings, Mr M Reiss, Mrs T Robertson, Ms M Smith, Mr R Stewart

Mrs H Crawford, seconded by Mr R Gale, moved that in October 2022 Council approved interim rates to be applied for Early Learning and Childcare Partners to help sustain the rates for 2 year olds, 3-5 year olds and support provision of meals.

The freezing of these rates in the Administration Budget as shown in Recommendation iv was not acceptable.

Recognising the 23/24 Budget generally contained provision for pay awards, fairness would be to pass an increase through to partner providers. It was proposed that the rates for 2023/24 be uplifted by 3% so that the eligible 2 year old rate is £6.86 per hour, £5.92 per hour for 3-5 year olds and £3.09 per meal. This would cost £259k in 2023/24 and be funded by use of reserves.

Following a vote between the Motion from the Leader of the Council, seconded by Mr J Finlayson, and the Amendment from Mrs H Crawford, seconded by Mr R Gale, the **MOTION** received 38 votes and the **AMENDMENT** received 29 votes, with 5 abstentions, and the **MOTION** was therefore **CARRIED**, the votes having been cast as follows:-

For the Motion:

Ms S Atkin, Dr C Birt, Mr B Boyd, Mr R Bremner, Mr I Brown, Mr M Cameron, Mrs B Campbell, Mrs G Campbell-Sinclair, Mrs M Cockburn, Ms T Collier, Ms S Fanet, Mr J Finlayson, Mr D Fraser, Mr L Fraser, Mr K Gowans, Mr M Green, Mrs J Hendry, Ms M Hutchison, Ms L Johnston, Mr R Jones, Mr S Kennedy, Ms E Knox, Ms L Kraft, Mr B Lobban, Mr D Loudon, Mr W MacKay, Mr G MacKenzie, Ms K MacLean, Mr T MacLennan, Mr D Millar, Mr H Morrison, Mr C Munro, Ms P Munro, Ms L Niven, Mr P Oldham, Mrs M Paterson, Mrs M Reid, Mr K Rosie

For the Amendment:

Mr C Aitken, Mr M Baird, Mr J Bruce, Mr A Christie, Mrs H Crawford, Mr R Gale, Mr J Grafton, Mr A Graham, Mr D Gregg, Mr R Gunn, Mr A Jarvie, Mr P Logue, Mr A MacDonald, Mrs I MacKenzie, Mr S Mackie, Mr A MacKintosh, Mrs A MacLean, Mr D Macpherson, Mrs B McAllister, Ms J McEwan, Mr J McGillivray, Ms M Nolan, Ms S Rawlings, Mr M Reiss, Mrs T Robertson, Mrs L Sagers, Mr A Sinclair, Ms M Smith, Mr R Stewart

Abstentions:

Mr A Baldrey, Mr C Ballance, Mr R MacKintosh, Mr A Rhind, Ms K Willis

Mr A Christie, seconded by Mr R Stewart, moved that the proposed spend on roads as detailed in the Administration Budget as a priority investment was woefully inadequate to keep pace with the deterioration and remedial works required. Noting that the Council Tax rise is 4%, he proposed to allocate 3% towards meeting the budget gap and 1% to fund the loans charges thereby allowing an extra £23 Million of capital investment in our roads. This will cost £1.344M in loan charges in 2023/24 and be funded by use of reserves.

Following a vote between the Motion from the Leader of the Council, seconded by Mr J Finlayson, and the Amendment from Mr A Christie, seconded by Mr R Stewart, the **MOTION** received 40 votes and the **AMENDMENT** received 29 votes, with 2 abstentions, and the **MOTION** was therefore **CARRIED**, the votes having been cast as follows:-

For the Motion:

Ms S Atkin, Mr C Ballance, Dr C Birt, Mr B Boyd, Mr R Bremner, Mr I Brown, Mr M Cameron, Mrs B Campbell, Mrs G Campbell-Sinclair, Mrs M Cockburn, Ms T Collier, Ms S Fanet, Mr J Finlayson, Mr D Fraser, Mr L Fraser, Mr K Gowans, Mr M Green, Mrs J Hendry, Ms M Hutchison, Ms L Johnston, Mr R Jones, Mr S Kennedy, Ms E Knox, Ms L Kraft, Mr B Lobban, Mr D Louden, Mr W MacKay, Mr G MacKenzie, Mr R MacKintosh, Ms K MacLean, Mr T MacLennan, Mr D Millar, Mr H Morrison, Mr C Munro, Ms P Munro, Ms L Niven, Mr P Oldham, Mrs M Paterson, Mrs M Reid, Mr K Rosie

For the Amendment:

Mr C Aitken, Mr M Baird, Mr A Baldrey, Mr J Bruce, Mr A Christie, Mrs H Crawford, Mr R Gale, Mr J Grafton, Mr A Graham, Mr D Gregg, Mr R Gunn, Mr A Jarvie, Mr P Logue, Mr A MacDonald, Mrs I MacKenzie, Mr A MacKintosh, Mrs A MacLean, Mr D Macpherson, Mrs B McAllister, Ms J McEwan, Mr J McGillivray, Ms M Nolan, Ms S Rawlings, Mr M Reiss, Mrs T Robertson, Mrs L Saggars, Mr A Sinclair, Ms M Smith, Mr R Stewart

Abstentions:

Mr A Rhind, Ms K Willis

Decision

The Council:-

- i) **AGREED** the £18.2m of investment as described in 'Our Future Highland-Budget Strategy' at Appendix 1 of the report;
- ii) the reprofiled capital programme provided at Appendix 6 of the report;
- iii) **AGREED** the funding of budget pressures for 2023/24 as described in sections 10 and 11 and Appendix 5 of the report;
- iv) **AGREED** that effective from 1 April 2023, the rates paid by the Council for funded ELC were as follows; £6.66 per hour for eligible 2 year olds, £5.75 per hour for 3-5 year olds and £3.00 per meal, as described in section 12 of the report;
- v) **AGREED** the funding approach to partnership budgets with NHS Highland and Highlife Highland as described in section 9 of the report;
- vi) **AGREED** the Council Tax rates for 2023/24 as illustrated in Appendix 7 of the report;
- vii) **AGREED** the planned approach to reallocate into general fund non-earmarked balances the income generated from Council Tax on second homes and long-term empty properties in 2022/23 and 2023/24 as described in section 15 of the report;
- viii) **AGREED** the new budget savings proposals for 2023/24 as summarised in Appendix 1 of the Budget Strategy;
- ix) **AGREED** to implement a loans fund principal repayment holiday in 2022/23 as described in section 17.6 and Appendix 8 of the report;
- x) **AGREED** the repurposing of earmarked balances into non-earmarked balances as described in section 17.7 and Appendix 9 of the report;

- xi) **AGREED** the use of £23.270m of non-earmarked reserves to balance the revenue budget for 2023/24 as described in section 17 of the report;
- xii) **AGREED** the continuation of spending controls as described in section 23 of the report; and
- xiii) **NOTED** the severe challenge facing the Council in securing its medium to long term financial sustainability as shown in Appendix 10 of the report, including the outlook for reserves as described in sections 18 and 22 of the report, and that further reports on the subject would be brought to Council during 2023/24.

The meeting ended at 3.35 pm.