

**The Highland Council
No. 10 2019/2020**

Minutes of Special Meeting of the Highland Council held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on Thursday, 5 March 2020 at 10.30am.

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

Present:

Mr G Adam

Mr B Allan

Mr R Balfour

Mrs J Barclay

Mr A Baxter

Mr B Boyd

Mr R Bremner (v/c)

Mr I Brown

Mr J Bruce

Mrs C Caddick

Miss J Campbell

Mrs G Campbell-Sinclair

Mrs H Carmichael

Mr A Christie

Mr G Cruickshank

Dr I Cockburn

Mrs M Cockburn

Ms K Currie

Mrs M Davidson

Mr J Finlayson

Mr M Finlayson

Mr C Fraser

Mr L Fraser

Mr R Gale

Mr J Gordon

Mr K Gowans

Mr A Graham

Mr J Gray

Mr T Heggie

Mr A Henderson

Mr A Jarvie

Ms E Knox

Mr B Lobban

Mr D Louden

In Attendance

Chief Executive

Executive Chief Officer, Communities & Place

Executive Chief Officer, Education & Learning

Executive Chief Officer, Health & Social Care

Mr A MacInnes

Mrs D Mackay

Mr D Mackay

Mr W MacKay (v/c)

Mr G MacKenzie

Mr S Mackie

Mr A Mackinnon

Mrs A MacLean

Mr D MacLeod

Mr D Macpherson

Mr R MacWilliam

Mrs B McAllister

Mr J McGillivray (v/c)

Mr N McLean (v/c)

Mr H Morrison

Ms L Munro

Mrs P Munro

Mrs M Paterson

Mr I Ramon

Mr M Reiss

Mr A Rhind

Mr D Rixson

Mrs F Robertson

Mrs T Robertson

Ms E Roddick

Mr K Rosie (v/c)

Mr G Ross

Mr P Saggars

Mr A Sinclair

Ms N Sinclair (v/c)

Ms M Smith

Mr B Thompson

Mrs C Wilson

Executive Chief Officer, Infrastructure & Environment

Executive Chief Officer, Performance & Governance

Executive Chief Officer, Property & Housing

Executive Chief Officer, Resources & Finance

Mr B Lobban in the Chair

Apologies for absence were intimated on behalf of Mrs I Campbell, Ms P Hadley, Mrs L MacDonald, Mrs I MacKenzie, Mr C MacLeod and Mr C Smith.

2. Declarations of Interest Foillseachaidhean Com-pàirt

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

Item 3 – Non-Financial – Mr A Jarvie, Ms L Munro, Mr A Christie, Mr T Heggie, Mrs M Paterson, Mr D Macpherson, Miss J Campbell and Mr D Louden

Item 3 – Financial – Mr A Christie, Mrs D MacKay and Mr K Gowans

3. Revenue Budget 2020/21 to 2022/23 Buidseat Teachd-a-steach agus Cìs Comhairle 2020/21-2022/23

Declarations of Interest – Non-Financial

Mr A Jarvie (Director of High Life Highland and member of the Inverness & Nairn Access Forum), Ms L Munro (Director of High Life Highland), Mr A Christie (Director of Inverness, Nairn, Badenoch & Strathspey Citizens Advice Bureaux), Mr T Heggie (Director of High Life Highland), Mrs M Paterson (Member of Eden Court Board), Mr D Macpherson (Director of High Life Highland), Miss J Campbell (Member of Eden Court Board) and Mr D Louden (Director of Home Start, East Highland) declared non-financial interests in this item 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 and voting.

Declarations of Interest – Financial

Mr A Christie and Mrs D MacKay (Non-Executive Directors of NHS Highland) declared financial interests in this item but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, confirmed that they would remain in the meeting.

Mr K Gowans (family member employed by High Life Highland) declared a financial interest and confirmed that he would leave the meeting if there was any specific discussion on High Life Highland.

There had been circulated Report No. HC/2/20 dated 25 February 2020 by the Executive Chief Officer, Finance and Resources.

In this regard, and during a summary of the report, information was provided in relation to the Scottish Government funding settlement and proposed action to close the budget gap and meet future budget challenges in line with the Council themes of Making the Council More Efficient, Commercialisation and Income Generation, Redesign and Improvement and Flexible and Well Managed Workforce.

Specific and detailed information was also provided in relation to the different approach to the budget process which had now been adopted in line with the Change and Improvement Strategy for 2020-2022 'A Sustainable Highland' which had been circulated as Appendix 1 to the report.

Thereafter, the Budget Leader, in moving the recommendations within the report, thanked Members and Officers across the Council for the considerable level of work which had been undertaken during the budget process at a time of great financial challenge and uncertainty at a local and national level. In this respect, thanks were also

conveyed to the Trade Unions for their input as part of this process which had led to a balanced budget for the Council.

In line with the Best Value Audit Report, improvements had now been put in place to ensure that the Council was on the road to recovery and this included the rebuilding reserves. As such, it was stressed that it was imperative that all resources were used efficiently and effectively and at this point it was confirmed that increased investment in the road network across the Highlands was being given high priority.

The Leader of the Council, in stressing the need for the increased investment in Highland roads, also pointed out the need for both judgement and compromise from all Members in relation to the proposed budget recommendations and whilst expressing her thanks to the Scottish Government for the increased revenue funding, highlighted that there would still be difficult decisions ahead and this would include the Capital Programme. As such, there had to be a focus on local communities and what they needed as the wellbeing of such communities across the Highlands had to be paramount in all future decisions. Reducing the carbon footprint of the Council in the weeks and months ahead also had to be the subject of detailed considerations.

The Depute Leader of the Council also thanked Members for their input to the budget process and confirmed that the Change Fund in particular would be a key part of delivering future services across the Council area. As such, consideration would be given to ways in which communities could be empowered to help to deliver such services and this would be taken forward by the Chief Executive and the new Executive Chief Officers in due course.

The Depute Leader of the Opposition highlighted a number of proposed amendments from the SNP Group at this point in the meeting, which included a focus on Environment Access Works, Land Management, Bus Shelter Cleaning, the Education DSM budget, Rural Transport, the Social Care Service Workers Education Scheme, ASN Education, a Poverty Strategy, development of a Skills for Work Charter and establishment of a Sub Committee of the Corporate Resources Committee on a cross-party basis in order for Members to be able to monitor budgets more fully throughout the year in future with the aid and addition of new computer software, and it was confirmed that a recess period would be arranged after the general discussion had concluded in order that detailed discussion could be undertaken with the Administration on these proposed amendments.

The Leader of the Scottish Conservative & Unionist Group also highlighted a number of detailed amendments from his Group, which included a transfer of funds from the additional Scottish Government money which had been announced after the budget had been published, a reduction in the Council Tax rise by 1.84% to 3% (with the roads investment programme continuing as proposed), removal of the fuel price increase as a cost pressure, an increase in Additional Voluntary Contributions to reduce National Insurance and Tax liabilities, setting the Change Fund as a recurring rollover budget of £2.25m, maintain the land management and access team budgets, continuing to meet leave payment in lieu of leave centrally, no increase to burial or cremation fees, 100% relief on fish export licences for one year, avoiding bus shelter cleaning contract cancellation, maintaining Ward Discretionary budgets at current levels and provision of a one-off payment of £400 to Community Councils to ease future budgeting.

During general discussion, the following issues were raised:-

- it was noted that in future the budget would be presented in line with the new service areas led by the Executive Chief Officers and that a further report in this regard was to be submitted to the Corporate Resources Committee in due course;

- in relation to Early Years, and specifically re-basing Early Years and Associated Service Budgets, it was confirmed that it was expected that a review of the whole service would impact positively on the effectiveness and efficiency of the delivery of high quality early learning and childcare and that any staffing issues would be managed in accordance with all HR Council policies;
- more specific detail in percentage terms should be provided on how the Council budget would be spent, specifically in relation to expenditure on roads;
- there had been a previous commitment to the establishment of a cross-party Working Group and a budget of £100k for play parks and it was hoped that this could now be included within the recommendations;
- there had to be robust and effective project management in place in order to ensure delivery of the budget savings which were being proposed;
- it had been stated throughout the report that the Council should 'consider' the rural impact of budget proposals but it was suggested that this terminology should be strengthened as a detailed focus on proposals was essential;
- in relation to the review of Education budgets, and specifically the Devolved Schools Management budget, there was concern at the proposal to remove the automatic funding of Pay in Lieu in terms of the potential impact on individual schools and it was suggested that this should be reversed if it had already been implemented;
- the work which had been undertaken on the ASN engagement process was welcomed and it was essential to now rebuild confidence in order to move forward with future consultations in this regard;
- it would be helpful for Members to be able to more easily identify both overspends and underspends in individual service budgets throughout the year;
- it was suggested that Ward Discretionary Budgets and Community Council grants were of particular significance in terms of how the Council interacted with communities across the Highlands;
- there was a need for more detailed consideration of the budget in relation to the hire of vehicles in future;
- there was concern in relation to budget savings which had been identified in previous years but which had still not been delivered. In this regard, particular reference was made to the November meeting of the Harbour Management Board in that the introduction of invoice surcharges and late payment penalties (which had previously been agreed by the Council) had still not yet been implemented. It was therefore the case that a situation now existed whereby parents were currently being penalised for school meal payments which had gone into a deficit position but the same stipulations were not being applied to companies;
- there was a need for the Council to be updated on what realistic income/return on investment was expected in relation to car parking charges across the Highland area;
- it was felt by some Members that they had not been as engaged in this budget process as they had been in previous years and it was hoped that this could be remedied in the coming year;
- the involvement of the Redesign Board should be considered as part of the focus/discussion on the future Roads budget and in assessing savings on the white fleet;
- there was concern about the continual increase in burial and cremation fees, particularly in terms of the extreme difficulties which this posed for those people on low incomes, and it was suggested that there should be a review of this issue with a view to actually reducing these fees in future if possible; and
- there were reservations about the effect of a 4.84% increase in Council Tax for Highland residents and specifically those on low incomes.

At this point, the Council agreed to a short recess in order to consider in detail the amendments which had been proposed.

Thereafter, it was confirmed that the amendments from the SNP Group in relation to the following had now been accepted and formed part of a revised Motion from the Administration which was tabled at the meeting:-

- (i) establishment of a Change Fund in the revised sum of £2.260m;
- (ii) the savings figure for Procurement (Appendix 3 – Ref:3.12) to be amended to £0.227m;
- (iii) removal of the proposed savings for Environment – Access Works (£0.030m) and also Land Management (£0.075m);
- (iv) the savings figure for Community Services (Service Wide) – Review of several Contracts and Services - to be reduced by £0.022m to reflect the removal of the bus shelter cleaning saving;
- (v) the savings figure for the review of Education budgets and DSM to be reduced by £0.240m to reflect the removal of the saving element associated with pay in lieu of holidays;
- (vi) appropriate financial security software to be purchased with immediate effect to allow Members to effectively monitor ongoing Council service budgets;
- (vii) establishment of a cross-party Sub Committee of the Corporate Resources Committee to continually discuss budget savings/proposals for each coming year and commencing in April 2020 – this Sub Committee to meet monthly and more often as appropriate near the financial year end;
- (viii) the creation of earmarked funds of £0.500m for rural transport projects, £1.000m for ‘A Highland Deal for a Sustainable Future’ and £0.100m for play parks from the additional funding received from the Scottish Government;
- (ix) any recommendations from the May 2020 ASN report to be met in full from monies banked in reserves if required; and
- (x) the new Joint Wellbeing Sub Committee to develop an Anti-Poverty Strategy and report this to the Council for approval.

The remaining amendments were then dealt with as follows:-

Mr A MacKinnon, seconded by Mr J Gray, **MOVED** the terms of the revised Motion which had been tabled at the meeting.

As an **AMENDMENT**, Mr A Jarvie, seconded by Mr S Mackie, moved that, in line with the Scottish Conservative Group budget proposals, part of the transfer of funds from the additional Scottish Government money announced after the Council had been published in the sum of £2.3m (which had been listed as a realisable saving) should be used to reduce the proposed Council Tax rise by 1.84% to 3%, with the roads investment programme continuing as proposed.

On a vote being taken, the **MOTION** received 57 votes and the **AMENDMENT** received 9 votes, with 1 abstention, and the **MOTION** was therefore **CARRIED**, the votes having been cast as follows:-

For the Motion:

Mr G Adam, Mr B Allan, Mr R Balfour, Mrs J Barclay, Mr A Baxter, Mr B Boyd, Mr R Bremner, Mr I Brown, Mrs C Caddick, Mrs G Campbell-Sinclair, Mrs H Carmichael, Mr A Christie, Mrs M Cockburn, Dr I Cockburn, Ms K Currie, Mrs M Davidson, Mr J Finlayson, Mr M Finlayson, Mr L Fraser, Mr C Fraser, Mr R Gale, Mr J Gordon, Mr K Gowans, Mr A Graham, Mr J Gray, Mr T Heggie, Mr A Henderson, Ms E Knox, Mr B Lobban, Mr D Louden, Mr A MacInnes, Mrs D Mackay, Mr W MacKay, Mr G MacKenzie, Mr A Mackinnon, Mrs A MacLean, Mr D Macpherson, Mr R MacWilliam, Mrs B McAllister, Mr J

McGillivray, Mr N McLean, Mr H Morrison, Ms P Munro, Ms L Munro, Mrs M Paterson, Mr M Reiss, Mr A Rhind, Mr D Rixson, Mrs T Robertson, Mrs F Robertson, Ms E Roddick, Mr K Rosie, Mr G Ross, Ms N Sinclair, Ms M Smith, Mr B Thompson and Ms C Wilson.

For the Amendment:

Mr J Bruce, Miss J Campbell, Mr A Jarvie, Mr D Mackay, Mr S Mackie, Mr D MacLeod, Mr I Ramon, Mr P Sagers and Mr A Sinclair.

Abstentions:

Mr G Cruickshank

Thereafter, Mr A MacKinnon, seconded by Mr J Gray, **MOVED** the terms of the revised Motion which had been tabled at the meeting.

As an **AMENDMENT**, Mr S Mackie, seconded by Mr P Sagers, moved that, in line with the Scottish Conservative Group budget proposals, removal of the fuel price increase as a cost pressure due to the decrease in fuel prices and making under-used electric cars easier to book in the sum of £0.181m (which had been listed as a realisable saving) should be used to put a freeze on any increase in burial and cremation fees and also to provide 100% relief on fish export licences for one year to support the industry through loss of business from the coronavirus impact.

On a vote being taken, the **MOTION** received 54 votes and the **AMENDMENT** received 10 votes, with 3 abstentions, and the **MOTION** was therefore **CARRIED**, the votes having been cast as follows:-

For the Motion:

Mr G Adam, Mr B Allan, Mr R Balfour, Mrs J Barclay, Mr B Boyd, Mr R Bremner, Mr I Brown, Mrs C Caddick, Mrs G Campbell-Sinclair, Mrs H Carmichael, Mr A Christie, Mrs M Cockburn, Dr I Cockburn, Ms K Currie, Mrs M Davidson, Mr J Finlayson, Mr M Finlayson, Mr C Fraser, Mr R Gale, Mr J Gordon, Mr K Gowans, Mr A Graham, Mr J Gray, Mr T Heggie, Mr A Henderson, Ms E Knox, Mr B Lobban, Mr D Louden, Mr A MacInnes, Mrs D Mackay, Mr W MacKay, Mr G MacKenzie, Mr A Mackinnon, Mrs A MacLean, Mr D Macpherson, Mr R MacWilliam, Mrs B McAllister, Mr N McLean, Mr H Morrison, Ms P Munro, Ms L Munro, Mrs M Paterson, Mr M Reiss, Mr A Rhind, Mr D Rixson, Mrs T Robertson, Mrs F Robertson, Ms E Roddick, Mr K Rosie, Mr G Ross, Ms N Sinclair, Ms M Smith, Mr B Thompson and Ms C Wilson.

For the Amendment:

Mr A Baxter, Mr J Bruce, Mr G Cruickshank, Mr A Jarvie, Mr D Mackay, Mr S Mackie, Mr D MacLeod, Mr I Ramon, Mr P Sagers and Mr A Sinclair.

Abstentions:

Miss J Campbell, Mr L Fraser and Mr J McGillivray.

Thereafter, Mr A Mackinnon, seconded by Mr J Gray, **MOVED** the terms of the revised Motion which had been tabled at the meeting.

As an **AMENDMENT**, Mr S Mackie, seconded by Mr A Jarvie, moved that, in line with the Scottish Conservative Group budget proposals, £0.269m from setting the Change Fund as a recurring rollover budget of £2.25m based on past performance and capacity to deliver (which had been listed as a realisable saving) should be used to maintain Ward Discretionary Budgets at levels agreed at the 2019/20 budget and also to provide a one-off payment of £400 to Community Councils to ease future budgeting.

On a vote being taken, the **MOTION** received 54 votes and the **AMENDMENT** received 11 votes, with 2 abstentions, and the **MOTION** was therefore **CARRIED**, the votes having been cast as follows:-

For the Motion:

Mr G Adam, Mr B Allan, Mr R Balfour, Mrs J Barclay, Mr B Boyd, Mr R Bremner, Mr I Brown, Mrs C Caddick, Miss J Campbell, Mrs H Carmichael, Mr A Christie, Mrs M Cockburn, Dr I Cockburn , Ms K Currie, Mrs M Davidson, Mr J Finlayson, Mr M Finlayson, Mr L Fraser, Mr C Fraser, Mr R Gale, Mr J Gordon, Mr K Gowans, Mr A Graham, Mr J Gray, Mr T Heggie, Mr A Henderson, Ms E Knox, Mr B Lobban, Mr A MacInnes, Mrs D Mackay, Mr W MacKay, Mr G MacKenzie, Mr A Mackinnon, Mrs A MacLean, Mr D Macpherson, Mr R MacWilliam, Mrs B McAllister, Mr N McLean, Mr H Morrison, Ms P Munro, Ms L Munro, Mrs M Paterson, Mr M Reiss , Mr A Rhind, Mr D Rixson, Mrs T Robertson, Mrs F Robertson, Ms E Roddick, Mr K Rosie, Mr G Ross, Ms N Sinclair, Ms M Smith, Mr B Thompson and Ms C Wilson.

For the Amendment:

Mr A Baxter, Mr J Bruce, Mr G Cruickshank, Mr A Jarvie, Mr D Mackay, Mr S Mackie, Mr D MacLeod, Mr J McGillivray, Mr I Ramon, Mr P Sagggers and Mr A Sinclair.

Abstentions:

Mrs G Campbell-Sinclair and Mr D Louden.

Decision

The Council:-

- (i) **AGREED** a 3% increase in Council Tax in order to close the Council's budget gap for 2020/21;
- (ii) **AGREED** a further 1.84% increase in Council Tax to enable a £20,000,000 investment programme in the Council's roads infrastructure as detailed in Appendix 6;
- (iii) As a consequence of recommendations i) and ii) **AGREED** that Council Tax rates for 2020/21 would increase by 4.84% as reflected in Appendix 7;
- (iv) **APPROVED** the funding of the budget pressures as summarised in Sections 5 and 6 of the report and detailed in Appendix 2;
- (v) **APPROVED** the planned £2m annual rebuilding of reserves as outlined in Section 7;
- (vi) **APPROVED** the establishment of a Change Fund of £2.260m;
- (vii) **APPROVED** the re-phased delivery profile of savings agreed in February 2019 as detailed in Appendix 3 with the exception that saving 3.12 was increased to £0.227m in 2020/21;
- (viii) **APPROVED** the package of new savings proposals covering the period 2020/21 to 2022/23 as summarised in Section 16 and in the Change and Improvement Strategy 'A Sustainable Highland' at Appendix 1, except with savings 1.5 and 1.9 removed, saving 1.11 reduced by £0.022m to reflect the removal of the bus shelter cleaning saving, and saving 3.11 reduced by £0.240m to reflect the removal of the saving element associated with pay in lieu of holidays;
- (ix) **AGREED** that the impact of any changes in Government funding that might come as part of a final budget settlement be considered as part of the ongoing development of the Medium-Term Financial Plan over the coming months;
- (x) **AGREED** that appropriate 'financial scrutiny' software be purchased with immediate effect (at the very latest end April 2020) to enable Members to effectively monitor ongoing Council service budgets;
- (xi) **AGREED** to the establishment of a Sub Committee of the Corporate Resources Committee to continually discuss the Highland Council budget savings/proposals for each coming year, commencing April 2020. The new Sub Committee to be cross

- party and to meet at least monthly and more often as appropriate near the financial year end;
- (xii) **AGREED** to the creation of an earmarked fund of £0.500m for rural transport projects to be funded by the additional funding received from the Scottish Government;
 - (xiii) **AGREED** to the creation of an earmarked fund of £1.000m for 'A Highland Deal for a Sustainable Future' to be funded by the additional funding received from the Scottish Government;
 - (xiv) **AGREED** to the creation of an earmarked fund of £0.100m for play parks to be funded by the additional funding received from the Scottish Government;
 - (xv) **AGREED** that any recommendations from the May 2020 ASN report be met in full from monies banked in reserves if required; and
 - (xvi) **AGREED** that the new Joint Wellbeing Sub Committee be remitted to develop an anti-poverty strategy and to report this to the Council for approval.

The meeting ended at 2.25pm.