

**The Highland Council
Resources Committee**

Minutes of Meeting of the Resources Committee held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on Wednesday, 23 November 2016 at 10.30 am.

Present:

Mr B Fernie	Mr R Laird
Mr A Mackinnon	Mrs D Mackay
Dr D Alston	Mr D Mackay
Miss J Campbell	Mrs I McCallum
Mrs H Carmichael	Mr J McGillivray
Mr A Christie	Mr F Parr
Dr I Cockburn	Mr T Prag
Mrs M Davidson	Ms M Smith
Ms J Douglas	Mr J Stone
Mr C Fraser	Mr B Thompson (via VC)

Non Members also Present:

Mrs J Barclay	Mr K Gowans
Ms I Campbell	Mr D Millar
Mr B Clark	Ms L Munro
Mr N Donald	

Officials in attendance:

Mr S Barron, Chief Executive
Ms M Morris, Depute Chief Executive/Director of Corporate Development
Mr D Yule, Director of Finance
Mr A Gunn, Head of Revenues and Business Support, Finance Service
Mr E Foster, Head of Corporate Finance, Finance Service
Mrs S McKandie, Benefits & Welfare Manager, Finance Service
Ms V Nairn, Head of Digital Transformation, Corporate Development Service
Mr S Walsh, Head of People and Transformation, Corporate Development Service
Mr M Bailey, Project Manager, Corporate Development Service
Mr J Shepherd, ICT Operations Manager, Corporate Development Service
Mr D Scott, Pathfinder North Partnerships Manager, Corporate Development Service
Mr J Scott, Project Manager, Corporate Improvement Programme
Mr M MacDonald, HR Manager, Corporate Development Service
Mr A Yates, Environmental Health Manager, Development and Infrastructure Service
Ms R Cleland, Corporate Communications Manager, Corporate Development Service
Mr P Mallard, Information & Records Manager, Corporate Development Service
Mr M Fraser, Finance Manager, Finance Service
Mr A Maguire, Head of Development & Regeneration, Development & Infrastructure Service
Mr K Forbes, Property Manager (Estates), Development & Infrastructure
Ms G Ward, Housing Policy Officer, Community Services
Mrs L Dunn, Principal Administrator, Corporate Development Service
Miss J Green, Administrative Assistant, Corporate Development Service
Mr A MacInnes, Administrative Assistant, Corporate Development Service

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

Mr B Fernie in the Chair

Business

1. Apology for Absence Leisgeulan

Apologies for absence were intimated on behalf of Mr B Lobban, Mr T Maclennan, and Mr G Phillips.

2. Declarations of Interest Foillseachaidhean Com-pàirt

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

Item 19 – Mr A Christie and Ms J Douglas (non-financial)

Item 20 – Mr A Christie and Mrs H Carmichael (non-financial)

Item 23.v – Mr A Christie (non-financial)

3. Good News Stories Deagh Naidheachdan

The Committee **NOTED** that the Highland Council website www.highland.gov.uk had been awarded a gold standard Certificate of Accreditation from the Digital Accessibility Centre (DAC). This was the highest level of accreditation possible and The Highland Council was the only council in the UK that currently held this. This meant the website was tested to work with assistive technologies such as screen readers for partially sighted and blind users, and could be navigated using only a keyboard, helping those who could not operate a mouse. It also meant the text was easily visible by users with a range of sight problems and that the wording on the site was simple and easy to understand.

To achieve this accreditation, the website had undergone comprehensive user testing by the DAC team. The team included individuals who were blind, had low vision, were dyslexic, colour blind, mobility impaired, had a learning difficulty and also deaf. This award confirmed and supported the Council's approach to ensuring that its services were digitally inclusive and accessible to all.

FINANCIAL MONITORING SGRÙDADH IONMHASAIL

4. Corporate Revenue Monitoring to 30 September 2016 Sgrùdadh Teachd-a-steach Corporra gu 30 Sultain 2016

There had been circulated Report No RES/70/16 dated 14 November 2016 by the Director of Finance which presented the financial position of the revenue budgets of the General Fund and Housing Revenue Account (HRA) for the period from 1 April to 30 September 2016 and the estimated position for the 2016/17 financial year. It also presented an update on the status of savings removed from the budget in the year.

During discussion, Members raised the following issues:-

- an indication was sought, and received, on whether the inflation of supermarket prices would impact on the cost of food for the Council and if so how this would be mitigated in future budgets;
- it was pleasing that the overspend would be partially mitigated by excess Council tax income that would be received due to increased collection rates of prior year debts. However, there was concern that one-off adjustments like these would give a false impression of budget pressures;
- Attendance Management should not have been included as a cashable saving. In this regard, Members were urged to learn from this lesson and officers were encouraged to provide firmer advice in relation to the budget savings next year;
- Members were assured at the time of proposing budget savings that they were competent and with specific reference to Sickness Absence, it was queried how the cost of staff absence had increased from the previous financial year, which was thought to be in the region of £5m;
- concern was expressed in relation to the savings which had not been allocated to services and it was felt that there was a need to look at the budget in a different way as the Council moved into a different era in terms of the redesign. It was suggested that there was a need for more precise data reporting and for Members to be able to fully understand variances as well as the net position. In response it was recommended that future reports contain a consolidated analysis of Service budget variances;
- the Leader of the Council encouraged Members to share their ideas with the Administration, which would be taken account of in the budget proposals for next year;
- an explanation was sought on how a year-end overspend as currently projected in the Housing Revenue Account (HRA) would be compensated for given that it could not be taken from reserve balances and confirmation was sought on whether there was any intention to raise the reserve balances, as recommended by Audit Scotland, over the next two years. It was explained that there was a desire to increase balances but it was stressed that there was a significant risk that balances would be reduced in view of the decisions that would be required in order to finalise the 2017/18 budget; and
- it was highlighted that some of the savings expected by increasing revenue could not be fully materialised because once charges increased,

uptake decreased and the likelihood of this should be taken into account when projecting future budget savings.

The Committee:-

- i. **NOTED** the financial position of the General Fund and HRA revenue budgets as at 30 September 2016 and the estimated year end position and the status of budgeted savings in the year;
- ii. **AGREED** the cost of staff absence for the previous financial year be investigated and the reasons for any cost increases compared to the current financial year; and
- iii. **AGREED** that future reports contain a consolidated analysis of Service budget variances.

**5. Corporate Capital Monitoring to 30 September 2016
Sgrùdadh Calpa Chorporra gu 30 Sultain 2016**

There had been circulated Report No RES/71/16 dated 14 November 2016 by the Director of Finance which provided an overview of expenditure on the General Fund and Housing Revenue Account (HRA) capital programmes for the period from 1 April to 30 September 2016 and the estimated position for the 2016/17 financial year. The report also provided an overview of the status of all major capital projects with a value over £4m.

The Committee **NOTED** the financial position of the General Fund and HRA Capital Programmes as at 30 September 2016.

**6. Finance Service Revenue Monitoring to 30 September 2016
Sgrùdaidh Teachd-a-steach Seirbheis an Ionmhais gu 30 Sultain 2016**

There had been circulated Report No RES/72/16 dated 8 November 2016 by the Director of Finance which commented on the Revenue Monitoring position for the period to 30 September 2016.

During a summary of the report, the Director of Finance highlighted the Revenue Re-design Project which had won the Council's Quality Award and recognised the commitment made by staff that had been empowered to deliver change. He also provided assurance that while reducing costs to the Service, performance was also being improved.

The Committee **NOTED** the monitoring report to 30 September 2016.

**7. Corporate Development Service Revenue Monitoring to 30 September 2016
Sgrùdadh Teachd-a-steach Seirbheis an Leasachaidh Chorporra gu 30 Sultain 2016**

There had been circulated Report No RES/73/16 dated 8 November 2016 by the Depute Chief Executive/Director of Corporate Development which provided information on the revenue monitoring position for the Corporate Development Service revenue budget for the period 1 April 2016 to 30 September 2016.

The Committee **NOTED** the revenue monitoring report for the period 1 April 2016 to 30 September 2016 and **APPROVED** a budget feed of £0.019m to cover the cost of the Ward 18 by-election if the Service was unable to offset this pressure by the end of the financial year 2016/17.

8. Corporate Development Service Capital Budget Monitoring to 30 September 2016
Sgrùdadh Buidseit Calpa Seirbheis an Leasachaidh Chorporra gu 30 Sultain 2016

There had been circulated Report No RES/74/16 dated 14 November 2016 by the Depute Chief Executive/Director of Corporate Development which set out the monitoring position for the Corporate Development Service's 2016/17 capital budget for the period to 30 September 2016.

The Committee **NOTED** the monitoring position for the Corporate Development Service's capital budget for the period 1 April 2016 to 30 September 2016.

9. Chief Executive's Service and Members Revenue Expenditure Monitoring 2016/17
Sgrùdadh Caiteachas Teachd-a-steach Oifis an Àrd-Oifigeir agus nam Ball 2016/17

There had been circulated Report No RES/75/16 dated 11 November 2016 by the Chief Executive which provided information on the revenue monitoring position for the Chief Executive's Office and Members' budget for the period 1 April 2016 to 30 September 2016.

The Committee **NOTED** the revenue monitoring report for the period 1 April 2016 to 30 September 2016.

10. Chief Executive's Office Capital Budget Monitoring to 30 September 2016
Sgrùdadh Buidseat Calpa Oifis an Àrd-Oifigeir agus nam Ball gu 30 Sultain 2016

There had been circulated Report No RES/76/16 dated 11 November 2016 by the Chief Executive which set out the monitoring position for the Chief Executive's 2016/17 capital budget for the period from 1 April 2016 to the end of September 2016.

The Committee **NOTED** the capital monitoring position for the period 1 April 2016 to 30 September 2016.

11. Capital Programme Management Arrangements
Ullachaidhean Rianachd a' Phrògraim Chalpa

There had been circulated Report No RES/77/16 dated 14 November 2016 by the Chief Executive which provided initial findings of a review into the current arrangements for planning and management of Care and Learning capital projects.

During discussion, Members raised the following issues:-

- it was pleasing to see the report which was long overdue and an explanation was sought, and received, of how projects that had already been commenced and, pre-dated the capital management process, would subsequently be managed;
- appreciation was expressed to the Chief Executive for undertaking the review as requested and for taking the interviews with Hub North very seriously;
- the staff at Inverness Royal Academy, in particular the Head Teacher, had been exceptional in coping with the project issues that had arisen;
- thanks were also expressed to the Environmental Health Manager for articulating many key issues where improvement was needed and with regard to Wick High School, despite frustrations, it was important that the school was not accepted until it met the required standards;
- the next High School project was in Tain and it was important to learn from past experience to ensure that the issues with the contractor were not repeated;
- the Leader of the Council suggested that she meet with the Chair of Audit and Scrutiny to consider how future projects might be sampled; and
- all significant projects, especially capital projects, should be reviewed and the £4m threshold for projects in scope for review should be reconsidered as some were currently below this limit.

The Committee **NOTED** the progress of the review.

CORPORATE DEVELOPMENT SERVICE SEIRBHEIS AN LEASACHAIDH CHORPORRA

12. Transformational Savings Programme Prògram Shàbhalaidean Cruth-atharrach

(a) Transformational Savings Programme (TSP) Status Report Aithisg Inbhe a' Phrògram Shàbhalaidean Cruth-atharrach

There had been circulated Report No RES/78/16 dated 8 November 2016 by the Depute Chief Executive/Director of Corporate Development which provided an update on the current status of the TSP with an overview of business improvement work which was changing how the Council operated, along with a summary of the TSP financial position.

During discussion, Members raised the following issues:-

- Appreciation was expressed for the very useful report and the hard work ahead, particularly in view of the financial position, with the redesign process was stressed;
- it was queried whether it was still necessary to report on projects that would not be delivered, e.g. Employability, or whether it should be reported in a different way;
- in relation to the Digital First Project, consideration was sought for elderly and disabled people who struggled to renew parking permits online and required ongoing assistance from Service Points. In

response, assurance was provided that this support would continue to be available;

- additional consideration was sought that in exceptional cases, e.g. elderly people who would be unable to attend Service Points and would not want to give their credit card details to others, that they be included in a mobile service; and
- it was suggested that a press release be issued informing the public that they could get help with accessing services online from Service Points.

The Committee:-

- i. **NOTED:-**
 - a. progress with the delivery of the TSP and actions being taken to ensure savings were delivered;
 - b. that the £50,000 2018/19 Community Development/Health Improvement saving was not deliverable by end 2018/19 and **AGREED** that this be removed from the TSP; and
- ii. **AGREED** that a press release be issued informing the public that help was available from Service Points to access online services.

(b) Mobile Service Delivery Project
Próiseact Libhrigeadh Seirbheis Gluasadach

There had been circulated Report No RES/79/16 dated 2 November 2016 by the Depute Chief Executive/Director of Corporate Development which provided an update on the progress of the Mobile Service Delivery project and benefits realised to date, and included a case study to provide the Committee with an insight into how this work benefited the Council and its customers.

Members and staff had the opportunity to see what was being delivered in the Chamber Foyer throughout the day of the meeting.

During discussion, Members raised the following issues:-

- thanks were expressed for the demonstration of the mobile devices and Members were urged to take the opportunity to see what could be delivered;
- in relation to what else could be done, it had been very helpful to have a link embedded in each planning application and, consideration of further mobile services was sought as part of the redesign process;
- it was important to ensure that processes were reviewed so that common sense was used to ensure services were provided in a systematic and efficient manner, particularly when filling in potholes; and
- the work that was ongoing was exciting and where it was being applied was inspirational. However, it was highlighted that savings should be secondary to improvements in service and benefits for customers.

The Committee **NOTED** progress made and benefits delivered to date by the Mobile Service Delivery project.

**(c) Commercial and Income Generation
Prògram Malairteach**

There had been circulated Report No RES/80/16 dated 2 November 2016 by the Depute Chief Executive/Director of Corporate Development which provided an update on the Commercial & Income Generation activity, including success to date, the broader work supporting the commercialisation of the Highland Council, and work in progress on future plans and how this related to the Council's budget strategy and service redesign.

During discussion, Members raised the following issues:-

- the most important aspect was that the longer term strategy was to embed commercialisation across the Council, which was beginning to happen and should happen in all areas of the Council;
- in relation to the implications section of the report, it was queried whether commercialisation could be included so that there was a method of checking that commercialisation was always being considered whilst being careful to avoid the public perception that services were being provided simply to make money;
- to revive the Torvean Hydro Scheme was a dream of many people in Inverness for many years and it was requested that a briefing on the Scheme be provided to Members of the City of Inverness Area Committee as soon as practicably possible;
- it was pleasing that Transport Scotland were allowing roundabout sponsorship on trunk roads but there was concern that Transport Scotland would then seek a share of the income;
- details were sought of the work being undertaken to explore naming rights for events and properties;
- views were sought on how the income generated to date of £722,000 compared with what was expected to be generated and, whilst recognising that it was early days in terms of the appointment of the Commercial Manager, assurance was sought that when the budget was being set there would be a realistic view of the potential opportunities for the future;
- when the post of Commercial Manager was proposed it was felt the savings target were not very ambitious but the success reported had far exceeded expectations;
- it was incumbent on all Members to make suggestions about saving money and raising income to either the Chair or Commercial Manager; and
- it was suggested that a copy of the presentation made by the Commercial Manager at a previous meeting of the Re-Design Board be circulated to Members to give a flavour of the work that was being undertaken and allow Members to consider other ideas.

The Committee **NOTED** progress to date, and the work on developing future plans for Commercial and Income Generation initiatives and **AGREED** that:-

- i. a briefing on the Torvean Hydro Scheme be provided to Members of the City of Inverness Area Committee as soon as practicably possible;
- ii. details of the work being undertaken to explore naming rights for events and properties be distributed to Members; and
- iii. a copy of the presentation made by the Commercial Manager at a previous meeting of the Re-Design Board be circulated to Members.

**13. ICT Transition / SWAN / Network Programme
Eadar-ghluasad ICT / SWAN / Prògraim Lìonraidh**

There had been circulated Report No RES/81/16 dated 10 November 2016 by the Depute Chief Executive/Director of Corporate Development which provided an update on the status and governance arrangements of the major ICT modernisation programmes now underway. These programmes covered the transition from the Fujitsu contract to the Wipro contract, subsequent transformation activities to be carried out by Wipro, transition to the SWAN network and an overall ICT network refresh.

During discussion, Members commented that the level of reporting and management of the ICT transition had improved significantly and assurance was sought, and received, that an interim replacement had been made in respect of the Head of Digital Transformation position and that Wipro would be responsible for the TUPE transfer of staff from Fujitsu but the Council would provide support of this process.

The Committee **NOTED**:-

- i. the report;
- ii. the requirement for exit and transition costs to be funded from the Council's non-earmarked general fund balance and that a report would be brought to the Resources Committee on 8 February 2017;
- iii. the pressure created by the delay of the SWAN migration of £645,000 and that action was being taken to recover costs from Capita; and
- iv. the risks presented regarding the Exit, Transition and Network Programmes.

**14. ICT Projects Update and Performance Report
Cunntas às Ùr agus Aithisg Choileanaidh mu Phròiseactan ICT**

**(a) ICT Projects Update
Cunntas as Ùr mu Phròiseactan ICT**

There had been circulated Report No RES/82/16 dated 4 November 2016 by the Depute Chief Executive/Director of Corporate Development which provided Members with an update of the status of current ICT projects as required by the Council's Project Management Governance Policy.

The Committee **NOTED** the report.

**(b) ICT Services Performance Report April 2016 to September 2016
Aithisg Coileanaidh Sheirbheisean ICT Màrt 2016 gu Dàmhair 2016**

There had been circulated Report No RES/83/16 dated 31 October 2016 by the Depute Chief Executive/Director of Corporate Development which provided an update on the key achievements of the ICT Services Team and the delivery of services by the Council's ICT providers, principally Fujitsu Services, Vodafone and Capita, for the period from April to September 2016.

The Committee **NOTED**:-

- i. the content of the report and the positive outcomes being delivered from the contracts with Fujitsu, Vodafone and Capita; and
- ii. that robust contract management and governance arrangements continued to be applied and pursued by the Council to the Fujitsu, Vodafone and Capita contracts.

**15. Customer Service Excellence Award
Sàr-mhathas Sheirbheisean Luchd-ceannaich**

There had been circulated Report No RES/84/16 dated 3 November 2016 by the Head of Digital Transformation which detailed the recent audit and resulting achievement of the externally assessed Customer Service Excellence Award by Highland Council's Customer Services. The achievement of this award was recognised as best practice within Customer Services nationally and was the only externally evaluated standard supported and recognised by the UK Cabinet Office.

Members expressed their congratulations to all staff involved in achieving the Customer Service Excellence Award. This was a significant award and was well deserved for all the hard work and effort by staff in the Customer Service Team. Specific commendation was made to Customer Service Staff in Inverness who also had to undergo a major office relocation while still ensuring that service delivery continued. Reference was also made to the continual challenges of the transition to digital technology to deliver services and this award was recognition of the success of this transition.

Thereafter, the Committee **NOTED** the outcomes of the assessment and the on-going successful achievement of the Customer Service Excellence standard.

**16. Corporate Development – Sickness Absence Statutory Performance Indicator, Quarterly Performance Report
Aithisg Coileanaidh Ràitheil agus Bhliadhnaile Comharra Coileanaidh
Reachdail Ràitheil an Leasachaidh Chorpóra**

There had been circulated Report No RES/85/16 dated 8 November 2016 by the Depute Chief Executive/Director of Corporate Development which provided quarterly details of the Sickness Absence Statutory Performance Indicator for Quarter 2 of 2016/17.

It was queried if the total number of employees absent and comparative figures with other similar sized public sector organisations in Highland for Anxiety and/or Depression absence could be included in future reports. Members welcomed the appointment of an Attendance Support Officer to prioritise attendance management problem areas, actively engage with managers and support employees back to work, and minimise sickness absence costs.

The Committee **NOTED** the performance in relation to sickness absence and that the following information would be included in future reports:-

- Total number of employees absent; and
- Comparative figures with other similar sized public sector organisations in Highland for Anxiety and/or Depression absence.

**17. Information Management Strategy and Policy Framework Annual Review
Ro-innleachd Rianachd Fiosrachaidh agus Ath-sgrùdadh air Frèam
Poileasaidh Rianachd Fiosrachaidh**

There had been circulated Report No RES/86/16 dated 1 November 2016 by the Depute Chief Executive/Director of Corporate Development which provided Members with information on the annual review of the Information Management Strategy and the policies that made up the Information Management Policy Framework.

The Committee **APPROVED** the:-

- i. updated Information Management Strategy;
- ii. deletion of the ICT Security Policy for Mobile & Flexible Working; and
- iii. updated Information Management Policy Framework policies.

**FINANCE SERVICE
SEIRBHEIS AN IONMHAIS**

**18. Treasury Management
Rianachd Ionmhais**

**(a) Summary of Transactions
Geàrr-chunntas Ghnothaichean**

There had been circulated Report No RES/87/16 dated 9 November 2016 by the Director of Finance providing details on the treasury management transactions undertaken within the period which was submitted to Committee for Members' scrutiny and in compliance with CIPFA's Code of Practice on Treasury Management.

The Committee **NOTED** the Treasury Management Summary of Transactions report.

**(b) Mid-Year Treasury Management Report 2015/16
Aithisg Stiùiridh Meadhan-Bliadhna an Ionmhais 2015/16**

There had been circulated Report No RES/88/16 dated 8 November 2016 by the Director of Finance presenting the Treasury Management Mid-year

Review Report 2016/17 which was submitted to the Committee for Members' scrutiny and in compliance with CIPFA's Code of Practice on Treasury Management in Local Authorities. It also recommended an increase in individual counterparty limits from £15m to £20m with the exception of the Royal Bank and Clydesdale which would remain at £25m and £10m respectively.

Reference was made to Aberdeen City Council raising funds through the capital markets by issuing stock market bonds. It was advised that this was an opportunity to raise finance in a different way due to the nature of this project and in this specific example it had provided a repayment holiday for the first three years linking to the cash flow forecasts. This therefore differed from the more traditional option to raise funds from the Public Works Loans Board. However there were significant risks with this type of finance raising, and it was not a course of action that would be recommended to Highland Council at this time.

The Committee:-

- i. **NOTED** and scrutinised the Treasury Management Mid-year Review Report 2016/17; and
- ii. **APPROVED** that the individual counterparty limit was increased from £15m to £20m with the exception of the Royal Bank and Clydesdale which would remain at £25m and £10m respectively.

19. Welfare Reform Update Fios às Ùr mu Ath-leasachadh Shochairan

Declaration of Interest – Mr A Christie, as General Manager of Inverness, Badenoch and Strathspey Citizens Advice Bureau and Ms J Douglas, as a volunteer and member of the Steering Group for Badenoch and Strathspey Foodbank, 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 them from taking part in the discussion.

There had been circulated Joint Report No RES/89/16 dated 9 November 2016 by the Director of Finance and the Director of Community Services providing comprehensive information on the current status of Universal Credit and other welfare initiatives. It also made available financial monitoring information, covering the Council's considerable involvement in this area of work.

In discussion, the following points were raised by Members:-

- It was highlighted that the housing needs assessment form was insensitive and the application form should be reviewed. In addition, as part of the housing benefit application process, tenants were asked to provide their landlord's contact details, and therefore there was a risk of the private sector landlord finding out that tenants were claiming housing benefit support. This was an issue as many private sector landlords did not want DSS claimants renting their properties. In this respect, it was explained that housing benefit was paid to the claimant, unless they had special circumstances, in which case the money could be paid direct to

the landlord. Therefore the landlord should not be aware that their tenant was receiving housing benefit. However, if the tenant went into rent arrears, the landlord could request that the rent be paid directly to them. An undertaking was given to review the housing benefit application form in order that tenants did not have to provide their landlords contact details;

- In relation to the Scottish Government's review into social security benefits, it was queried how housing cost related financial support would be treated. It was explained that if housing benefits helped the landlords as a subsidy to the private sector housing market, this had the effect of making rents higher. Housing benefits should be reformed so that they did not have the effect of increasing housing costs, while supporting people who could not afford housing. It was advised that as the social security benefits review was still ongoing it was not known at this stage what the outcome would be;
- Private sector landlords when advertising property often requested no DSS applicants and the Committee was advised that there was no legal means of stopping this practice;
- Officials were commended for the quality of information contained in welfare reform reports which was of great value to Members for their knowledge of the many issues to be addressed, such as the issues of discretionary housing payments, universal credit, devolution of social security benefits, and the consultation on the state pension age system in future. These reports also highlighted the pace of change and identified the significant risks to the Highland economy. Consideration should be given to the broader issues on poverty and concentration of effort to challenge welfare reform proposals;
- It was advised that the Council and its public sector Partners' role in tackling poverty would be discussed at an Anti-Poverty Summit on 2 December 2016;
- There were many issues in the report in relation to welfare support that were important to the Council and those people the Council supported, but what was missing was the working poor, who were not eligible for benefits and were just about managing to cope financially. Consideration would require to be given as to how welfare support could be given to people in this category who were also experiencing deprivation and poverty;
- It was noted that as at 30 September 2016 100% of those in temporary accommodation were in rent arrears and it was queried if this was due to the Council not being able to pay their rent until they were in arrears. If this was the case the Council needed to continue to lobby the Scottish Government to address this matter. It was explained that with Universal Credit, people with special circumstances could receive payments direct, and the Council did do this. However, there was an initial six week delay for tenants to get their first payment;
- Reference was made to the impact on Scotland's economy as a result of the new welfare reforms. The reduction in welfare benefits would have a significant detrimental impact on the Scottish economy and the local economy; and
- Recognition was given to the hard work and efforts of staff in the Finance and Housing teams for the quality of their work in Welfare Support and including Gail Ward, Housing Policy Officer, who had been awarded employee of the year at the recent Highland Council Quality Awards.

Thereafter, the Committee **NOTED**:-

- i. the reduced benefit cap levels to be implemented in the Highlands from 7 November 2016 and the potentially significant increase in the number of households impacted;
- ii. the different qualifying criteria between Live and Full Universal Credit Services and be aware that while some households would be better off under Universal Credit, others would be worse off;
- iii. the 44% increase in the number of known Universal Credit cases in council housing and temporary accommodation and the continued concerns regarding rent arrears for these households;
- iv. the welcome announcement by the UK Government to abolish reassessments for Employment and Support Allowance (ESA) for those with lifelong, severe health conditions, with no prospect of improvement.
- v. the review being undertaken into retirement beyond 2028;
- vi. that the Welfare Budget was anticipated to come in on budget; and
- vii. that the Council's housing benefit application form would be reviewed in order that applicants would not be required to provide landlord's contact details.

The Committee **AGREED** to support:-

- i. the work being led by the Welfare Support Team to support those potentially impacted by the reduced benefit cap levels;
- ii. the action being taken by the Welfare Policy and Assurance Team to obtain data from DWP regarding the number of Universal Credit households who would be potentially impacted by the reduced benefit cap levels;
- iii. the short-term arrangements that were being put in place by the Finance Service to fully mitigate the impact of the reduced benefit cap levels for 2016/17 by making most effective use of the discretionary housing payment scheme; and

The Committee also **AGREED** that the Housing Needs Assessment form would be reviewed.

20. Finance Service Quarterly Performance Report Aithisg Dèanadais Ràitheil Seirbheis an Ionmhais

Declaration of Interest – Mr A Christie as General Manager of Inverness, Badenoch and Strathspey Citizens Advice Bureau, and Mrs H Carmichael as a Member of the Board of Inverness BID and Inverness & Loch Ness Tourism BID, 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 interest did not preclude them from taking part in the discussion.

There had been circulated Report No RES/90/16 dated 8 November 2016 by the Director of Finance which provided a summary of key and statutory performance indicators for the Finance Service as at 30 September 2016.

Having heard an expression of appreciation to Officials for the Council's response to the Scottish Government's Social Security consultation, the Committee **NOTED** these statutory and key performance indicators to 30 September 2016.

21. Changes to the Structure of Delivering Hub Design, Build, Finance and Maintain (DBFM) Projects
Atharrachaidhean Structair a thaobh Lìbhrigeadh Phròiseactan Dealbhaidh, Togail, Ionmhais agus Cumail Suas Choimpiutair

There had been circulated Report No RES/91/16 dated 11 November 2016 by the Director of Finance which outlined changes to the structure of the Wick Community Campus hub delivery structure and to the Wick DBFM Project Agreement that were required to reinforce the classification of the project as private under ESA10 rules. The Committee was recommended to consent to the re-structuring and to the entering into of the Amendment Agreement to the Wick DBFM Project Agreement and other documents to allow the Wick Community Campus project to comply with ESA10 requirements.

It was queried what would happen if approval was not given to the proposed changes and it was advised that in that event, the financial package for the Wick Community Campus hub would collapse.

The Committee **NOTED** the changes that had been made to the Wick Community Campus DBFM structure and project documentation and **AGREED** to homologate:-

- i. the entering into and delivery of the Amendment Agreement and other documentation required in connection with the restructuring of the project to ensure compliance with ESA10;
- ii. to consent to the transfer by Hub North Scotland Limited of its entire shareholding in Hub North Scotland (Wick) Limited to Hub North Scotland (Wick) Holdings Limited;
- iii. the application made by the Council for allocation of 10% of the shareholding in Hub North Scotland (Wick) Holdings Limited;
- iv. the entering into of the Shareholders Agreement for Hub North Scotland (Wick) Holdings Limited; and
- v. that the DBFM Amendment Agreement was a certified contract within the meaning of Section 2 of the Local Government (Contracts) Act 1997 (the "1997 Act") and met the certification requirements within Section 3 of the 1997 Act and that the proper Officer was duly authorised to sign and issue the certificates in terms of the 1997 Act.

DEVELOPMENT AND INFRASTRUCTURE
LEASACHADH AGUS BUN-STRUCTAIR

22. National Housing Trust Model
Modail Urras Taigheadais Nàiseanta

There had been circulated Report No RES/92/16 dated 24 October 2016 by the Director of Development and Infrastructure which provided an update on progress of The Highland Council's participation in the Scottish Government's National Housing Trust Model, and sought approval for the Council to use

prudential borrowing for a further 16 units at Munloch and Raining's Stairs Inverness through the Highland Housing Alliance.

The Committee **APPROVED** the use of prudential borrowing of £1,700,000 to part fund the delivery of 16 new NHT mid-market houses at Munloch and Raining's Stairs Inverness.

MINUTES OF MEETINGS GEÀRR-CHUNNTAS CHOINNEAMHAN

23. Minutes of Meetings Geàrr-chunntasan Choinneamhan

Declaration of Interest – Mr A Christie declared a non-financial interest in item 23v as General Manager of Inverness, Badenoch and Strathspey Citizens Advice Bureau, but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that his interest did not preclude him from taking part in the discussion.

The Committee **APPROVED** the following Minutes of Meetings:-

- i. Appeals Committee held on 3 October 2016;
- ii. Central Safety Committee held on 4 November 2016;
- iii. Employment Release Sub-Committee held on 7 September and 18 October 2016;
- iv. Staff Partnership Forum – Elected Members/Staff Side Group held on 4 November 2016; and
- v. Welfare Reform Working Group held on 21 September 2016.

24. 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 be excluded from the meeting during discussion of the following items on the grounds that they involved the likely disclosure of exempt information as defined in Paragraphs 6 and 9 of Part 1 of Schedule 7A of the Act.

CORPORATE DEVELOPMENT SERVICE SEIRBHEIS AN LEASACHAIDH CHORPORRA

25. ICT Executive Board: Minutes of Meeting Bòrd-gnìomha ICT: Geàrr-chunntas Coinneimh

There had been circulated to Members only, Minutes of Meeting of the ICT Executive Board (Members) held on 7 November 2016, the terms of which were **APPROVED**.

26. Equal Pay Cunntas às Ùr mu Phàigheadh Co-ionann

There had been circulated to Members only Report No RES/93/16 dated 3 November 2016 by the Depute Chief Executive/Director of Corporate

Development which updated Members on progress with the settlement of outstanding equal pay claims.

Following discussion on various issues concerning equal pay and the progress on the settlement of outstanding claims, the Committee, **NOTED** the report.

DEVELOPMENT AND INFRASTRUCTURE LEASACHADH AGUS BUN-STRUCTAR

27. Land and Property Report Aithisg Fearainn agus Cuid-seilbh

There had been circulated to Members only Report No RES/94/16 dated 7 November 2016 by the Director of Development and Infrastructure in respect of a number of land and property transactions.

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

The meeting ended at 1.05 pm.