

**HIGHLAND COUNCIL
CORPORATE RESOURCES BUDGET SUB-COMMITTEE**

Minutes of the Meeting of the
Corporate Resources Budget Sub-
Committee held remotely on Thursday
26 November 2020 at 2.00pm.

PRESENT:-

Dr I Cockburn	Mr A Mackinnon
Mrs M Davidson (substitute)	Mr M Reiss
Mr R Gale	Mr D Rixson
Mr D Louden	

Non-Members also present:-

Mr A Baxter	Mr A Graham
Mr R Bremner	Mr A Jarvie
Mrs C Caddick	Mrs G Mackenzie
Mrs A MacLean	Mr P Saggars

Officers Present:-

Mrs D Manson, Chief Executive (DM)
Mrs L Denovan, ECO Resources & Finance (LD)
Mr E Foster, Head of Finance and Commercialism (EF)
Mrs L Dunn, Principal Administrator

Mr A Mackinnon in the Chair

Item	Subject/Decision	Action
1.	Apologies for Absence	No Action Necessary
	Apologies for absence were intimated on behalf of Mr J Bruce, Mrs G Campbell-Sinclair, Mr T Heggie, Mr S Mackie and Mr D Macpherson.	
2.	Declarations of Interest	No Action Necessary
	Items 3 & 4 – Mr A Jarvie (non-financial)	
3.	COSLA Financial Returns	LD/EF
	Declarations of Interest: Mr A Jarvie declared a non-financial interest in this item as a Director of High Life Highland 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 his involvement in the discussion.	

There had been circulated Report No. BSC/04/20 dated 14 November 2020 by the Executive Chief Officer Resources and Finance.

During discussion, the following main points were raised:-

- It was clarified that COSLA had initially suggested that returns should be provided on a fortnightly basis but it quickly became apparent that due to the complexity of the information this was not feasible. Confirmation was provided that Members had received copies of all the returns that had been submitted to COSLA;
- Further clarity was sought and provided by the Chair on the presentation of these agenda items to the Corporate Resources Budget Sub-Committee as opposed to the strategic committee;
- It was queried and clarity was provided that due to the timings of reporting, the COSLA returns were not entirely synchronised with the Council's quarterly accounts reported to Corporate Resources Committee. On seeking further clarification it was explained that although preparation of the information was part of the same process, the most up to date information was reported, and they would not completely align. It was confirmed that the returns, which comprised specific information as requested by COSLA, had formed the basis of the financial information reported to Members and the underpinning assumptions had been the same; and
- It was acknowledged that the projected deficit at the end of Quarter 1 was significant to that compared with Quarter 2 (£8.7m) and it was clarified that this was mainly due to timing which had enabled a greater understanding to be gained of the impacts as they had emerged and due to additional funding being received from the Scottish Government and potentially due to location i.e. being in Tier 1 and having a lower prevalence of the virus.

Thereafter, the Sub-Committee **NOTED** the submissions made to COSLA in relation to the anticipated financial impact of the coronavirus pandemic.

4. Furlough

LD

Declarations of Interest: Mr A Jarvie declared a non-financial interest in this item as a Director of High Life Highland 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 his involvement in the discussion.

There had been circulated Report No. BSC/05/20 dated 18 November 2020 by the Executive Chief Officer Resources and Finance.

During discussion, the following main points were raised:-

- Confirmation was provided that further information would be provided on the number of staff that had been redeployed;
- It was clarified that High Life Highland (HLH) staff had volunteered to assist with the pandemic response at no additional cost to the Council;
- A number of concerns were expressed at the lack of detailed information regarding the decision-making process, that the Council had not furloughed staff where possible and as a result had lost the

opportunity to be financially compensated for this, and that lessons had not been learned to avoid a repeat of this in future. However, the Chair indicated that this had been a very fluid situation and all decisions had been made with the best intentions. It was highlighted that in accordance with the test the Council had decided not to furlough any staff, with the exception of 1,302 staff that had been furloughed through High Life Highland, and this was the same approach as had been taken by 25 other local authorities and this should be commended. In addition, a number of staff had been redeployed and provided a valuable role to the pandemic response. In order to move this forward, it was felt that there was a need to provide some Members with further clarification on whether the Council could have utilised furlough. It was suggested that if any Members felt that there were any substantive areas where funds could have been realised to submit this to officers for further investigation whilst noting that this was a particularly busy time for officers and they should be mindful of their time. It was also indicated that it was feasible for an internal audit report to be commissioned by Audit and Scrutiny Committee. It was confirmed that a key lesson for the future had been the need for an audit trail to evidence decisions, which had been made by the Gold Member Group, and that further information would be provided on the Government advice regarding furlough;

- It was clarified that the payment of £1.8m to Supply Teachers had been made in accordance with an instruction from the Scottish Government; and
- It was felt that there was a need to look to the future focussing on the alignment of budgets and preparation for the next financial year and this view was supported.

Thereafter, the Sub-Committee **NOTED**:-

- i. the approach taken by the Council in deploying staff into alternative work for those staff who were unable to work due to the COVID-19 pandemic;
- ii. organisations which received public funding specifically to provide services necessary to respond to COVID-19 were not expected to furlough staff;
- iii. High Life Highland had claimed for all eligible staff who were not otherwise deployed to support Council services;
- iv. the Job Retention Scheme (JRS) had been extended until March 2021 and checks were taking place to clarify if any staff qualified for furlough whose posts could be identified as externally funded or income generating and working reduced hours due to COVID;
- v. funding could not be claimed from the JRS to cover the cost of payments previously made to relief/casual staff;

and **AGREED** that:-

- vi. further information be provided on the number of staff that had been redeployed; and
- vii. a copy of the Government advice regarding Furlough be circulated to Members.

5. Any Other Business

The Chair sought views on the focus of future meetings during which the following main points were raised:-

- The need for the use of vacancy management in current circumstances was acknowledged but there was a need to adopt a more strategic approach to budgeting with a view to being more sustainable;
- It was critical that information on which decisions were based was shared with the public. A request was made for greater historical data to be presented, comparisons with other local authorities, and comparative data on loan charges and the implications of this on the revenue budget;
- It was highlighted that time was running short in order to prepare for the next financial year. There was a need to align budgets with actual spend to ensure the met expectations and to drill down into the data to eradicate any large variances, e.g. £100,000+, and also to examine external factors that could potentially impact on the budget such as Adult Social Care;
- There was a need for a more scenario planning based approach, which should include aspirations, and also provision for ward support as well as community involvement;
- There was a need to work collaboratively and work cross-party to develop a Highland Budget. The Leader of the Opposition indicated that he was supportive of this approach and indicated that there were key aspirational areas that they wanted to be included. The Chair confirmed that he had an open-door policy and would welcome contributions from any Members or they could go direct to officers. He emphasised the importance of working together including with partners to achieve the best for everyone in the Highlands;
- Covid and Brexit were two significant issues and the impacts of which were unknown. The Accounts Commission had indicated the need for more radical thinking from both political and management leaders to analyse local challenges and develop planning and longer-term solutions. There was a need to adopt this approach exploring all potential ideas and opportunities to determine the cost benefits;
- The need to examine all options was recognised, including learning from areas which performed well and the excellent work being undertaken by the Redesign Board to simplify processes was referenced;
- The Chair acknowledged the need for more frequent meetings and for Trade Unions to be involved and proposed that a further meeting be held within the next two weeks. He further advised that the confidential briefing would take place at the conclusion of the next meeting; and
- Reference was made to replicating the established approaches undertaken in Canterbury, New Zealand, to invest and make long term transformational change of integrated social care services.

Thereafter, the Sub-Committee **AGREED** that:-

- i. a meeting be scheduled within the next two weeks; and
- ii. the confidential briefing be held at the conclusion of the next meeting.

The meeting was closed at 3.32pm.