

**The Highland Council  
No 6 2021/2022**

Minutes of **Special Meeting** of the **Highland Council** held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on **Thursday, 3 March 2022** at 10.30am.

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

**Present:**

Mr C Aitken	Mr A Henderson
Mr G Adam	Ms E Knox
Mr B Allan	Mr A Jarvie
Mr R Balfour	Mr B Lobban
Mrs J Barclay	Mr D Louden
Mr B Boyd	Mr D Mackay
Mr R Bremner	Mrs D Mackay
Mr I Brown	Mr W MacKay
Mr J Bruce	Mr G MacKenzie
Mrs C Caddick	Ms A MacLean
Mrs I Campbell	Mr D Macpherson
Miss J Campbell	Mrs B McAllister
Mrs H Carmichael	Mr J McGillivray
Mr A Christie	Mr H Morrison
Dr I Cockburn	Mr C Munro
Mrs M Cockburn	Ms L Munro
Mrs M Davidson	Mrs M Paterson
Ms S Fanet	Mr M Reiss
Mr J Finlayson	Mr A Rhind
Mr M Finlayson	Mr D Rixson
Mr D Fraser	Mrs F Robertson
Mr L Fraser	Mrs T Robertson
Mr R Gale	Mr K Rosie
Mr K Gowans	Mr P Saggars
Mr A Graham	Ms M Smith
Mr J Gray	Ms J Tilt
Ms P Hadley	

**In Attendance:**

Chief Executive	Executive Chief Officer, Performance & Governance
Executive Chief Officer, Communities & Place	Executive Chief Officer, Property & Housing
Executive Chief Officer, Health & Social Care	Executive Chief Officer, Resources & Finance
Executive Chief Officer, Infrastructure & Environment	

**Mr B Lobban in the Chair**

Apologies for absence were intimated on behalf of Mr A Baxter, Mrs G Campbell-Sinclair, Ms K Currie, Mr C Fraser, Mr J Gordon, Mrs L MacDonald, Mr A MacInnes, Mrs I MacKenzie, Mr S Mackie, Mr A Mackinnon, Mr C MacLeod, Mr D MacLeod, Mr R MacWilliam, Mr N McLean, Mrs P Munro, Ms E Roddick, Mr A Sinclair, Mr C Smith and Mrs C Wilson.

### **Preliminaries**

Prior to the commencement of the formal business, the Convener drew attention to the barbaric invasion of Ukraine by Russian forces, which he intended to consider as an urgent item at the Council meeting on 10 March 2022. As such, he urged Members, between now and then, to give consideration to what financial support the Highland Council could offer to the people of Ukraine. A Minute's Silence was then held to reflect on the atrocities being committed.

The Convener also paid tribute to the late Councillor Tom Heggie, Nairn Ward Member and Vice Chair of the Education Committee, who had passed away suddenly in the previous week. Mr Heggie would be a loss to all who had known him, and condolences were expressed to his family and friends.

## **2. Transparency Statements Foillseachaidhean Com-pàirt**

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

The undernoted Members declared connections to the issues detailed but, having applied the objective test, did not consider that they had an interest to declare:-

Mr A Christie, as the General Manager of Inverness, Nairn, Badenoch and Strathspey Citizens Advice Bureau and as a Non-Executive Director of NHS Highland

Mr G Adam, as a Council appointed Director of Eden Court

Mrs A MacLean, as a Board member of the Sight Action Board

Mrs I Campbell, as a Board member of both Eden Court and High Life Highland

Mrs M Paterson, as a Board member of Eden Court

Miss J Campbell, as a Board member of Eden Court

Mrs M Cockburn, as a Council appointee to the Inverness, Badenoch and Strathspey Citizens Advice Bureau

Mrs L Munro, as a Board member of High Life Highland and Chair of the Kinlochbervie Citizen's Advice Bureau

Mrs F Robertson, due to her involvement with Blysthwood Care and would leave if any specific discussion of that organisation

Mr K Gowans – would leave the Chamber if any specific discussion of High Life Highland

## **3. Revenue Budget 2022/23 to 2024/25 Buidseat Teachd-a-steach agus Cis Comhairle**

There had been circulated Report No. HC/1/22 dated 21 February 2022 by the

Executive Chief Officer (Resources & Finance).

The Council Leader introduced the budget proposals and thanked the SNP Group for their constructive collaboration. The budget settlement had been disappointing, a sentiment shared by 31 other Local Authority leaders, and this was being communicated to the Scottish Government. With investment being a key priority, attention was drawn to the proposals for a further £5.5 million of revenue funding for roads, and £2 million for climate change initiatives. Early intervention in conjunction with place-based planning was also a key priority to invest in communities for the future.

The Budget Leader summarised the background to the budget proposals and the impact on the economy of Brexit, Covid-19, rising costs and the war in Ukraine.

In this regard, he praised staff and communities for their response to the pandemic, paid tribute to those who had lost their lives and hoped that the next Council would continue the recently adopted Health and Prosperity Strategy and continue with new ways of working. He also provided a breakdown of the headline figures in the proposed budget and highlighted the financial risks facing the Council in the coming years. The proposed use of Council reserves to fund some of the budget proposals, including Covid-19 related costs and additional investment in roads, climate change initiatives, innovation and education and early intervention work, would reduce the reserves to £12m (which was 2% of the overall budget) and the aim would be to build them back up to 3%.

Dr I Cockburn voiced support for the collaborative budget and emphasised the importance of Members working together for the benefit of the Highlands in the face of the many challenges being faced. He also highlighted the importance of additional roads investment and the opportunities for the Highlands to become a major centre for renewable energy, with particular reference to hydrogen production.

Mr A Jarvie referred to the number of complaints received from Highland residents in relation to the poor condition of the roads and suggested that £195m was required to bring them back up to standard – with the cost to the Council of borrowing this sum having been assessed as approximately £12m per year. He considered it a matter of regret that the Council had not done more to improve road maintenance in previous years, noting the significant increase in costs in the current year, and proposed an alternative budget which would allocate an additional £15m towards roads to be funded from a Senior Management Restructure and a reduction in funding to Eden Court. His budget proposals also resisted proposals to reduce public transport and proposed a 25% reduction in the fees for brown bin uplifts to encourage uptake of the service.

Ms M Smith thanked the budget leaders for their work and referred to the need to think creatively about how to fund road improvements in future, pointing out the importance of roads to the economy and the current poor state of repair of many Highland roads, with particular reference to the need for £2m per annum to maintain Ross and Cromarty roads alone. She suggested that the school transport contracts required review and urged the implementation of a cross party working group on this matter. Other key priorities were identified as play parks and wind farm development.

During general discussion, Members raised the following issues:-

- gratitude was expressed to the Members and Officers involved in preparing the budget proposals, recognising the amount of work involved;
- advice on Education issues would be presented in due course following a national review, and it was important to have a sustainable Highland policy to support innovation in Education, involving all key stakeholders, including employers and the business world to ensure young people were prepared for the world of work;
- caution was urged in relation to the assumptions and risks contained in the budget proposals, including rising consumer price inflation, the Council's high levels of debt and loan charge payments, and increasing energy costs;
- the proposal to increase investment in roads was welcomed and particular attention was drawn to the poor state of repair of roads in Easter Ross, with particular examples provided of roads with high numbers of potholes. More resources were urgently required to tackle this issue;
- concern was expressed by some Members that they had not been consulted on the proposed budget, and attention was drawn to key areas which required investment, including housing and roads, and the need to be more imaginative in terms of sourcing funding. One suggestion being made was to hold a roads or housing summit, to which national contractors and stakeholders could be invited. In relation to attracting external funding, attention was drawn to High Life Highland's arm's length organisation status;
- the rural roads in Highland required additional resources and urgent attention. Improving the rural road network would help to reduce rural depopulation;
- Highland had around 12% of Scotland's road network but only 6% of the Scottish roads budget, and Highland only spent around 32% of the average expenditure on its roads. The Council required an analysis of its road network and to consider allocating funding based on need rather than by area;
- it was suggested that £26m per annum was required to maintain Highland roads in their current condition, and the cost of road maintenance and improvement was likely to increase;
- Scottish Government road related underspend should be challenged;
- it was felt that the far North of Scotland was losing out with regard to the budget and engagement should be undertaken with campaign groups, Caithness Roads Recovery and Caithness Health Action Team;
- consideration should be given to helping to deal with the challenges of the rising cost of energy bills for Highland residents, especially the most vulnerable;
- road maintenance required a sustainable increase in funding over a period of time, rather than a one-off funding package;
- consideration should be given to Highland producing its own energy, to help tackle rising fuel and energy prices, and for the Council to have a stake in such endeavours, to help reduce costs and tackle fuel poverty;
- concern was expressed at the long list of issues detailed for the £2m climate change allocation in the proposed budget, and it was suggested that the entirety of that allocation should go into green hydrogen production, with any excess from this being used to fund the other green initiatives;
- in relation to road maintenance, it was important to engage with utility companies about any damage caused by their vehicles or work, and similarly to ensure

- developer contributions and appropriate conditions were attached to any planning applications which could have a detrimental impact on the road network;
- Members were called on to lobby the government about the unfairness of Council tax not being income-based;
  - Council expenditure on road maintenance had increased in recent years but not by a sufficient amount;
  - the importance of school transport, which was a statutory requirement of the Council, was emphasised;
  - a balanced budget had to cover many interconnected priorities and, while it was acknowledged that additional housing was required, this would also require infrastructure to create fully functioning communities;
  - when preparing the budget, all opportunity costs and possible impacts had to be taken into consideration and attention was drawn to the work of the Redesign Board which had been considering asset rationalisation and roads issues. Members were urged to get involved in the work of the Board, hoping it would continue after the forthcoming election;
  - there was little point continuing to provide public transport in areas where it was not being utilised;
  - attention was drawn to the avoidance of further savings cuts, including to winter maintenance, and to any compulsory redundancies;
  - it was suggested that the figures in the alternative budget proposals did not contain enough detailed information; and
  - it was thought unlikely that a 25% reduction in the brown bin fee would result in a 25% increase in uptake of the service.

Mr Jarvie having confirmed that he wished to table specific details of his alternative budget proposal in respect of a proposed senior management restructure, the Council **RESOLVED** that, under Section 50A(4) of the Local Government (Scotland) Act 1973, the public should be excluded from the meeting to allow consideration of his proposal on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 1 of Part 1 of Schedule 7A of the Act. In this respect, all senior members of staff left the Chamber at this point.

Upon conclusion of the private debate, and having returned to public session, Mr A Christie, seconded by Dr I Cockburn, **MOVED** the recommendations as detailed in the report.

As an **AMENDMENT**, Mr A Jarvie, seconded by Mr P Saggars, moved the alternative budget proposals, the full details of which had been circulated to Members.

On a vote being taken, the **MOTION** received 46 votes and the **AMENDMENT** received 6 votes, with no abstentions, and the **MOTION** was therefore **CARRIED**, the votes having been cast as follows:-

#### **For the Motion**

Mr G Adam, Mr C Aitken, Mr B Allan, Mr B Boyd, Mr R Bremner, Mr I Brown, Mrs C Caddick, Mrs I Campbell, Miss J Campbell, Mrs H Carmichael, Mr A Christie, Dr I Cockburn, Mrs M Cockburn, Mrs M Davidson, Ms S Fanet, Mr J Finlayson, Mr M Finlayson, Mr D Fraser, Mr L Fraser, Mr R Gale, Mr K Gowans, Mr A Graham, Mr J Gray, Ms P Hadley, Mr A Henderson, Ms E Knox, Mr B Lobban, Mr D Loudon, Mrs D

MacKay, Mr W MacKay, Mr G MacKenzie, Mrs A MacLean, Mr D Macpherson, Mrs B McAllister, Mr J McGillivray, Mr H Morrison, Mr C Munro, Ms L Munro, Mrs M Paterson, Mr A Rhind, Mr D Rixson, Mrs F Robertson, Mrs T Robertson, Mr K Rosie, Ms M Smith and Ms J Tilt.

### **For the Amendment**

Mr R Balfour, Mr J Bruce, Mr A Jarvie, Mr D MacKay, Mr M Reiss and Mr P Sagers.

### **Decision**

Members: -

- i. **AGREED** £10m of investment in a 'Sustainable Highland' as described in Section 17 and Appendix 1 of the report;
- ii. **AGREED** the Council Tax rates for 2022/23 as illustrated in Appendix 6;
- iii. **NOTED** that the Council would apply the Scottish Government funded £150 Cost of Living Award as a Council Tax credit to all eligible persons;
- iv. **AGREED** the new budget savings proposals for 2022/23 as summarised in Appendix 10;
- v. **NOTED** that the previously agreed budget savings were no longer deliverable as described in Section 15 and Appendix 8 of the report;
- vi. **APPROVED** the payment of £1.5m to High Life Highland in the financial year 2021/22 and the creation of a £1m earmarked reserve held for the purpose of providing financial support to High Life Highland if they were not able to further mitigate their forecast deficit for 2022/23;
- vii. **AGREED** the removal of the savings proposal relating to High Life Highland in October 2021 as outlined in Section 9.10 ;
- viii. **AGREED** the use of reserves to fund Covid-19 pressures as described in Sections 11.4 and 16.4;
- ix. **AGREED** the planned use of reserves for investment and addressing Covid-19 budget pressures as described in Section 19.2: and
- x. **AGREED** a medium-term target level for non-earmarked General Fund reserves of 3% of the Council's annual revenue budget and to increase the reserve to this level over the course of 2022/23 if circumstances permitted.

The meeting ended at 1.20pm.