



Minutes of Meeting of the Community Planning Partnership Board held remotely via Microsoft Teams on Thursday 22 June 2023 at 2.00 pm.

Present:

The Highland Council:

Councillor Graham MacKenzie, Chair of Communities and Place Committee
Kate Lackie, Interim Chief Executive

Highlands and Islands Enterprise:

Stuart Black, Chief Executive
Eann Sinclair, Area Manager – Caithness and Sutherland (also representing Community Partnerships)

NHS Highland:

Ann Clark, Vice Chair, NHS Highland Board
Tim Allison, Director of Public Health

Scottish Fire and Rescue Service:

Michael Humphreys, Area Commander

Community Partnership representative:

Eann Sinclair, Chair of Caithness Community Partnership (also representing HIE)

High Life Highland:

Steve Walsh, Chief Executive

NatureScot:

Dave Mackay, Head of Operations - North

In attendance:

Allan Gunn, Executive Chief Officer, Communities and Place, The Highland Council
Fiona Duncan, Executive Chief Officer, Health and Social Care, The Highland Council
Ian Kyle, Chair, Community Learning, Development and Engagement Delivery Group
Jenny Valentine, Chair, Community Safety and Resilience Delivery Group
Cathy Steer, Chair, Mental Health and Wellbeing Delivery Group
Alison Clark, Chair, Poverty Reduction Delivery Group
Ross MacKillop, Chair, Community Justice Partnership
Elisabeth Smart, Interim Chair, Highland Alcohol and Drugs Partnership
Gail Prince, Partnership Development Manager
Melanie Murray, Interim Principal Administrator, The Highland Council

Also in attendance:

Andy McCann, Service Lead – Economy and Regeneration, The Highland Council
Caroline Docherty, Care Inspectorate (as an observer)

Mr S Black in the Chair

Business

1. Apologies for Absence

Apologies for absence were intimated on behalf of Councillor Raymond Bremner, Pamela Dudek, Ch Supt Rob Shepherd, Mhairi Wylie and Stephen Sheridan.

2. Minutes of Meetings

The Board:

- i. **APPROVED** the Minutes of the Community Planning Board – 9 December 2022;
- ii. **NOTED** the Minutes of the Community Justice Partnership – 8 September 2022;
- iii. **NOTED** the Minutes of the Highland Alcohol and Drugs Partnership Strategy Group – 22 November 2022;
- iv. **NOTED** the Minutes of the Community Justice Partnership – 6 December 2022;
- v. **NOTED** the Minutes of the Highland Alcohol and Drugs Partnership Strategy Group – 14 February 2023; and
- vi. **NOTED** the Minutes of the Community Justice Partnership – 8 March 2023.

In relation to the Minutes of the Highland Alcohol and Drugs Partnership Strategy Group on 22 November 2022, it was queried whether the Terms of Reference of the various groups that formed part of the Community Planning Partnership (CPP) structure were approved by the groups themselves or by the Board and whether there was a common approach in respect of the recruitment of independent Chairs.

Following discussion on the current arrangements, during which it was suggested the Board should have final approval in respect of both matters, it was **AGREED** that a report be presented to the next meeting of the Board with a view to formalising the governance arrangements in respect of the various groups that formed part of the CPP structure, particularly in relation to approval of Terms of Reference and recruitment of independent Chairs.

3. Action Tracker

The Board was asked to review progress of its agreed actions as set out in the Action Tracker which had been circulated.

In relation to the Strategic Risk Register, it was explained that risk owners/leads had yet to be identified and the register would be updated for the September Board.

The Board **NOTED** the Action Tracker and the update provided.

4. Cost of Living Crisis - Update

The Area Manager – Caithness and Sutherland, HIE gave a verbal update during which it was explained that work had taken place at a political level over the past six months and he had been part of evidence-giving to both the UK and Scottish Parliaments, notably in respect of the Scottish Parliament inquiry into community planning, elements of which related to the costs of living, and the Scottish Affairs Committee inquiry into the cost of living. The issues highlighted included the ongoing structural disadvantages in Highland in comparison with other parts of Scotland; access to services such as health, retail and fuel; higher living costs,

the cost of living in remote and rural areas being approximately 40% higher in remote and rural areas than the rest of Scotland; transport poverty; and fuel poverty, particularly in areas that were largely off the gas grid and subject to infrastructural issues. It was added that most of the issues remained unchanged since the previous update and some of them had worsened.

Discussion took place, during which it was commented that the cost of living crisis was central to the purpose of the CPP and should be built into its “business as usual”. It was therefore suggested that Highland Outcome Improvement Plan (HOIP) Delivery Plans should be updated, taking into account the context of the cost of living crisis. In response, it was confirmed that the HOIP Delivery Groups were due to report to the September Board and it would be timely to refresh the Delivery Plans as suggested.

The Board:

- i. **NOTED** the update; and
- ii. **AGREED** that HOIP Delivery Plans be refreshed, taking into account the context of the cost of living crisis, and presented to the next meeting of the Board.

5. CPP Development – Update

There had been circulated Report No CPB/5/23 by the CPP Senior Officers Group.

Having welcomed the newly appointed Partnership Development Manager, Gail Prince, to her first meeting, the Board **NOTED** the update on the recruitment of the Partnership Development Manager and Officers and the initial work areas being progressed.

6. Highland Green Health Partnership Annual Report

There had been circulated Report No CPB/6/23 by the Head of Health Improvement, NHS Highland.

During discussion, the following comments were made:

- the clear, easy-to-read Annual Report was commended;
- the interaction the Green Health Partnership had had with Community Partnerships was welcomed and, from a sustainability perspective, the importance of continuity was emphasised;
- information was sought, and provided, on the next steps in terms of maintaining activity when funding support from NatureScot ceased; and
- it was important to look at opportunities to mainstream the green and blue health agendas because of the known benefits. However, there were also continued non-recurring opportunities.

The Board:

- i. **NOTED** the progress of the Highland Green Health Partnership and achievements in Year 4 of the programme;
- ii. **NOTED** the priorities for Year 5 of the programme; and
- iii. **AGREED** the proposed approach to embed Green Health networks with local Community Partnerships and develop a sustainable approach to green health activity in Highland.

7. Children at Risk of Harm Inspection Update and Action Plan

There had been circulated Report No CPB/7/23 by the Chair of the Integrated Children's Services Planning Board.

During discussion, the following comments were made:

- the ambition of the improvement plan was commended. However, information was sought, and provided, as to how confident officers were that the plan could be completed given the number of social work vacancies, and how the actions within it would be prioritised in the event of capacity issues. The Interim Chief Executive, The Highland Council, confirmed that the recruitment challenges within the Health and Social Care Service had been identified as a key corporate risk and included in the Council's Corporate Risk Register which was reported quarterly to the Audit and Scrutiny Committee. The improvement plan was a dynamic plan and would be continuously assessed, and assurance was provided that the Board would be informed of any issues that arose and the actions being taken to address them. The shortage of social work staff was a national challenge, and the Council was being as creative as possible in terms of managing and recruiting to vacant posts; and
- in response to a query, it was explained that actions were not marked as "complete" on the improvement plan if there were outstanding follow-up activities on the associated action tracker, and it was confirmed that the action tracker would be provided as part of the next update to the Board.

The Board **NOTED**:

- i. the update; and
- ii. the improvement plan developed by the partnership to deliver on the recommendations outlined in the inspection report.

8. UK Shared Prosperity Fund (UKSPF)

There had been circulated Report No CPB/8/23 by the Executive Chief Officer, Infrastructure, Environment and Economy, The Highland Council.

During discussion, the following comments were made:

- the need for improved data-sharing between partners and government departments such as the Department for Work and Pensions was emphasised, and it was suggested this was something that should be collectively pursued with a view to increasing legitimate take-up of benefits. Take-up did not generally go above 70% so approximately one in three people were not claiming money they were entitled to due to the strict data-sharing rules between various organisations. It was added that NHS Highland had recently obtained national funding to support welfare advice workers being embedded in GP practices and it was suggested that, in due course, there might be merit in looking at what lessons could be learned from that approach and the obstacles that had had to be overcome in terms of data-sharing between health and welfare advice;
- information was sought, and provided, on the progress of the activities within the various workstreams and whether there were any particular issues; and
- in Argyll and Bute and the Western Isles there had been good collaboration with HIE on Shared Prosperity programmes, and there was a desire to see more of that in Highland if possible.

The Board **NOTED**:

- i. the successful approval of the UKSPF Investment Plan submitted and formal allocation of funding from the UK Government for 2022/23 and indicative allocations for 2023/24 and 2024/25; and
- ii. the UKSPF Delivery Plan as set out in Appendix 1, including the decision-making and governance structures.

9. Scottish Parliament Inquiry into Community Planning

There had been circulated the response submitted on behalf of the CPP to the Scottish Parliament's inquiry into community planning.

It was anticipated that the report on the findings of the inquiry would be available shortly and it was suggested it be presented to the next meeting of the Board for consideration.

The Board:

- i. **NOTED** the evidence submitted to the Scottish Parliament's inquiry into community planning; and
- ii. **AGREED** that the report on the findings of the inquiry be presented to the next meeting of the Board for consideration.

10. Integrated Children's Services Plan

There had been circulated Report No CPB/9/23 by the Chair of the Integrated Children's Services Planning Board.

During discussion, the following comments were made:

- thanks were expressed to everyone involved for the work that had gone into the draft Plan;
- in response to a question, it was explained that the term "community scaffolding" referred to the place-based approach being taken whereby there would be a locality coordinator in each Community Partnership area who would identify unique and unmet need, working alongside the Partnership Development team to avoid duplication;
- the Joint Strategic Needs Assessment would be a useful resource, not only internally but for local businesses and community groups, and it was queried whether it would be actively promoted and how the benefits could be maximised;
- information was sought, and provided, as to what stage the draft Plan was at in terms of consultation and the extent to which the change ideas had come from children and young people;
- from a Board perspective the draft Plan was well laid out and easy to read. However, from a child's perspective much of it would be difficult to grasp and it was suggested it was necessary to produce something aimed at children and young people that explained what the Plan meant for them. In response, it was confirmed that the Integrated Children's Services Planning Board had agreed a child-friendly version of the Plan was needed. Information was also provided on the proposals for the launch of the Plan, which would reflect the voice and testimony of children and young people; and
- in response to a question regarding the proposed development of a system for weekend food support, it was confirmed that support was already in place during the school holidays.

The Board:

- i. **NOTED** the work undertaken by the Integrated Children’s Services Planning Board in producing a draft of the Highland Integrated Children’s Services Plan 2023 – 2026; and
- ii. **APPROVED** the proposed draft Plan.

11. Annual Report of the Director of Public Health

There had been circulated the Annual Report of the Director of Public Health, NHS Highland, the focus of which was Prevention – Moving Upstream.

In introducing the report, the Director of Public Health explained that prevention was often given insufficient priority and the report endeavoured to demonstrate why it should be prioritised and appropriately resourced. There was a perception that prevention took a long time and was not cost-effective but there were many elements of preventative work where quick effective outcomes could be demonstrated, and examples were provided in the report. At present, there was a lot of good quality and highly effective work taking place but it tended not to be coordinated and there was a lack of an overall approach to prevention. A greater focus on cost-effective prevention was needed and it was suggested there was a case for a “Prevention in All Policies” approach across the CPP.

During discussion, the following comments were made:

- support having been expressed for the proposed “Prevention in All Policies” approach, it was questioned how best to achieve it and embed it within partnership processes and partner organisations, and the Director of Public Health suggested that he liaise with partners and come back to a future meeting with a proposed model;
- a culture shift was needed to ensure people believed prevention could work;
- it was necessary to consider how to join the different strands of preventative work taking place into a coherent programme;
- consideration of prevention should be built into the impact assessment stage of policy development/review;
- the prevention and early intervention agenda encompassed the full spectrum of prevention strategies, and examples were provided of scenarios that might arise within social care;
- it was necessary to try to articulate the links between the findings of the report and practice and service delivery so people understood why things were being done;
- prevention could occur at different stages in patient or client’s journey through services, and a broad definition was needed as well as a common understanding of the different levels;
- it was suggested that consideration be given to a set of principles relating to, for example, inequalities, human rights and tackling stigma; and
- the importance of evaluation was emphasised.

The Board:

- i. **NOTED** the Annual Report; and
- ii. **AGREED** that the Director of Public Health would liaise with partners and come back to a future meeting of the Board with a proposed model as to how to approach prevention.

The Board **AGREED** to consider item 13 at this stage as it was closely linked to item 11.

13. “Leave No One Behind”

There had been circulated The Health Foundation’s report on the state of health and health inequalities in Scotland, “Leave No One Behind”.

In introducing the report, the Director of Public Health drew attention to a number of statistics including the increasing difference in healthy life expectancy between the most and least socioeconomically disadvantaged people. He also spoke to some of the key groups/areas impacted by health inequalities including children and child poverty; drug and alcohol related deaths; and suicide and the mental health of young men, which linked to the item 12 on the agenda. He emphasised the links with the previous item and confirmed he would be happy to liaise with partners and come back to a future meeting with proposals as to how health inequalities could be addressed, adding that, like prevention, perhaps the most important thing was to ensure it was mainstreamed and seen as something all partners were responsible for.

During discussion, the following comments were made:

- many of the issues raised in the report were dependent on factors that were beyond the scope of partner organisations;
- the CPP should be able to respond to the argument that it was not sufficiently scaling or spreading what was working within public services. In that regard, it was confirmed that part of the role of the new Partnership Development team would be to look at mechanisms for sharing good practice across Community Partnerships and partner organisations;
- it was important to ensure interventions were put in place across the board rather than in small areas; and
- employment and economic activity were fundamental to good health, as emphasised in the report. In that regard, it was necessary to ensure people had the right skills and training to take advantage of the opportunities presented by initiatives such as the Inverness and Cromarty Firth Green Freeport. It was also anticipated that there would be new economic opportunities associated with the transition to Net Zero.

The Board:

- i. **NOTED** the report; and
- ii. **AGREED**, linked to item 11 above, that the Director of Public Health would liaise with partners and come back to a future meeting of the Board with proposals as to how health inequalities could be addressed.

12. Confidential Report: Suicide Prevention Update and Interim Report on the Kessock Bridge, Location of Concern

There had been circulated **Confidential Report** No CPB/10/23 by the Chair of the Suicide Prevention Steering Group.

Following discussion, the Board **AGREED** the recommendations in the report.

14. Review of Strategic Risk Register

The Strategic Risk Register had been circulated for consideration and review.

The Board **NOTED** the Strategic Risk Register and that, as indicated under item 3, risk owners/leads would be identified for the next meeting.

15. Date of Next Meeting

The Board **NOTED** that the next meeting was scheduled to take place at 11.00 am on Friday 15 September 2023.

The meeting ended at 4.00 pm.

THE HIGHLAND COUNCIL

Minutes of Meeting of the **Investment Sub Committee** held in Council Headquarters, Inverness/Remotely on Friday, 8 September, 2023 at 10.30 a.m.

Present:

Mr D Louden
Mr P Oldham

Mrs M Paterson
Ms E Johnston (representative from
Trade Unions)

Officials in attendance:-

Mr B Porter, Interim Head of Corporate Finance, Resources & Finance Service
Ms C Stachan, Principal Accountant, Resources & Finance Service
Mr D Haas, Inverness City Area Manager, Communities and Place
Mr A MacInnes, Interim Senior Committee Officer, Performance & Governance

Also in attendance :-

Mr C Munro, Pension Board Observer
Mr K Ettles, AON, Investment Principal and Actuary
Mr D Watt, Managing Director, Mr K Kesting, Foreign Infrastructure Specialist, Mr A Furze, Portfolio Manager, KKR (Item 5)
Ms O Docker, Client Director, Ms N Green, Fund Manager, Schroders (Item 6)

Mr D Louden in the Chair

1. Apologies for Absence

Apologies for absence were intimated on behalf of Mr C Balance, Mr R Gale, Mr B Lobban and Mr N MacDonald.

Reference was made to the lateness of the agenda and papers being issued due to business capacity issues and an undertaking was given that meeting dates in 2024 be set on dates when papers would be issued on time.

2. Declarations of Interest/Transparency Statement

There were no declarations of interest.

3. Minutes of Last Meeting

There had been circulated, and were **NOTED**, minutes of meeting of the sub-committee held on 22 June, 2023.

4. Exclusion of the Public

The sub-committee **RESOLVED** that, under section 50(A) 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 paragraph 6 of Part 1 of schedule 7A of the Act.

5. Presentation: KKR

The Fund's Investment Advisor gave a short introduction about KKR, the Fund's infrastructure manager. This was a relatively new investment and the manager invested globally in well known infrastructure projects, such as renewable energy, roads, hospitals and fibre optics. Geographically, the portfolio was well diversified around the world and the managers performance was good so far.

In this connection there was circulated to Members only Report No. INV/13/23 which provided Members with possible questions for the Managers and further information regarding the performance of the Managers.

Mr Douglas Watt, Mr Kris Kesting and Mr Andrew Furze from KKR were in attendance. KKR was a global private asset manager and the managers gave a presentation in relation to KKR's Diversified Core Infrastructure Fund, strategy and performance. Progress had been made in investing the fund's capital and had already generated cash distributions.

During discussion clarification was sought and provided on several issues including opportunities for investments in public private partnerships; renewable energy both in UK and Europe and potential returns from these investments. The managers were actively considering a number of investments in renewables. Details would be provided to members on why there had been no bids from investors in the recent UK offshore wind auction. Opportunities for investment in renewable energy in the Highlands was highlighted and the managers were launching a climate fund for investing in renewable energy projects, such as tidal energy. The effect on investment returns in the current high interest rate environment and the incorporation of environment, social and governance aspects in the portfolio was highlighted.

The sub-committee thanked the representatives from KKR for their attendance and **NOTED** the presentation and discussion.

6. Presentation: Schroders

The Fund's Investment Advisor gave a short introduction about Schroders who invested in property. Money was invested in various property funds that operated in different parts of the property market such as offices, retail, industrial units. The managers used their expertise to assess where it was best to invest to add value to the portfolio.

In this connection there was circulated to Members only Report No. INV/14/23 which provided Members with possible questions for the Managers and further information regarding the performance of the Managers.

Ms Olivia Docker and Ms Naomi Green from Schroders were in attendance to give a presentation in relation to their portfolio, investment strategy and performance. In particular, reference was made to the UK real estate performance which had been resilient through the COVID pandemic though there had been headwinds from higher interest rates from 2022. It was still an attractive outlook, assuming interest rates and real estate yields stop rising. New investments and opportunities for investments were highlighted.

During discussion, in relation to how exposed the fund was to the office sector, it was noted investments tended to be in offices that were more resilient to the working from home trend. The managers had some excellent properties in the office sector and would look to reduce exposure to weaker performing office properties.

Further, the portfolio was underweight in the retail sector with the exception of local retail funds which were expected to be more resilient. There was no investment in specialist shopping centre funds and because of online retailing and a possible recession going forward, the managers would not be increasing their holdings in the retail sector. The managers explained that to outperform the benchmark going forward they would look to invest more in sector specialised funds to add value to the portfolio. The managers sustainability policy that was integrated into their investment processes was detailed.

The sub-committee thanked the representatives from Schroders for their attendance and **NOTED** the presentation and discussion.

7. **Dodge and Cox – update and next steps**

There was circulated to Members only Report No. INV/15/23 by the Fund's Investment Advisor on the current position regarding the proposed investment with Dodge and Cox which had been put on hold due to Russian investments in the portfolio. On an interim basis these assets were being held with Legal and General as a passive investment which forms part of the equity protected assets. The report provided an update and next step options.

There was an update provided at the meeting by the Investment Advisor whereby the sub-committee was informed that confirmation had been received that Dodge and Cox had now sold their Russian investment.

The Sub-Committee:-

- i **AGREED** Option 2 (Continue to defer investment in Dodge & Cox until they have disposed of the Russian investment); and
- ii **NOTED** that the proposed investment with Dodge & Cox could now continue given that they had now sold their Russian investment.

8. **Investment Activity Update and Performance Report**

(a) There was circulated to Members only Report No INV/16/23 by the Head of Corporate Finance. The report provided an update on pension fund investment matters for the quarter to 30 June 2023 and any significant events since that date.

It was highlighted that there was a recommendation to commit an amount of £50m (€59m) to the Partners Group (PG), split equally between the PG Direct Fund V and PG Secondary VIII investments. This investment was required to maintain the 5% target asset allocation to private equity, as approved by Pensions Committee in February 2022.

Following consideration, the Sub Committee **AGREED** to commit an amount of £50m (€59m) to the Partners Group (PG), split equally between the PG Direct Fund V and PG Secondary VIII investments.

(b) There was circulated to Members only Report No. INV/17/23 by the fund's Investment Advisor setting out pension fund investment performance for the quarter ended 30 June, 2023.

The Investment Advisor gave commentary on the report and highlighted the following issues:-

- This had been a reasonably good quarter for equities with a return of 6.7% in local currency terms. However, sterling appreciation against the US dollar pushed returns in sterling terms down to 3.4%. There had been strong performance in the information technology sector, particularly in the US.
- Japanese equities were the strongest performer in local currency terms;
- This quarter had seen continual interest rate rises in the uk and there had been negative returns on bonds, reflecting the bond market allowing for these further interest rate rises;
- This had been a positive quarter for investments in absolute terms and the fund value had increased. The Fund (net) outperformed the benchmark by 0.1% p.a. over the 10 year period to 30 June, 2023;
- There were no concerns on the funds asset allocations;
- Performance of the individual managers over the quarter and longer term was highlighted.
- The fund invested in in Aberdeen Standard Investments Commercial Real Estate Debt and there was cash available to reinvest though given the remaining target life of the fund (maturing in December 2025) this was unlikely to be redeployed into new loans. Consideration would be given as to whether this cash could be redirected to add more value to the fund.
- Details of the protected equity portfolio were highlighted. As interest rates increased there was the prospect of a recession and therefore it was important to have equity protection in place.
- There was potential to add to the fund's fixed income investments given the high yields that were available.

The Sub Committee **NOTED** the report.

9. Inverness Common Good and Associated Funds Investment Report

There was circulated to Members only Report No. INV/18/23 by the Investment Advisor, which sets out Common Good and Associated Funds investment performance for the quarter ended 30 June, 2023.

The Investment Advisor provided commentary on the report and highlighted that the equity benchmark for the common good funds had a higher allocation to uk equities compared with the main pension fund. Therefore, performance of common good funds was more exposed to the uk equity markets, rather than global equity markets. During this quarter, uk equities underperformed global equities which had impacted on the absolute performance of the common good

funds over this quarter. There were modest returns this quarter, reflecting the modest returns in uk equities.

The Sub-Committee **NOTED** the report.

The meeting ended at 12.55 p.m.