

THE HIGHLAND COUNCIL
CITY OF INVERNESS AREA COMMITTEE

2 JUNE 2015

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| Agenda Item | 3 |
| Report No | CIA/22/15 |

**INVERNESS AND HIGHLAND CITY / REGION DEAL
PROJECT PROPOSALS FOR INVERNESS CITY CENTRE**

Report by the Director of Development and Infrastructure

SUMMARY

This report updates members on progress with the development of a city/region deal for Inverness and the Highlands and recommends members approve two projects to the value of £3m as part of an initial allocation for the city centre by HM Treasury. The projects are public realm works in proximity to Inverness Castle and a public access Wi-Fi project. The business cases for both these projects will be submitted to HM Treasury for approval.

1. Background

- 1.1 The work to develop a City/Region deal for Inverness and the Highlands has continued since the report to full Council on 12 March. The Cabinet Office has now appointed an account manager to work with the Highland Council, and the Scottish Government has done likewise. A visit to Inverness by officials from the Cabinet Office and HM Treasury was hosted on 16 April. The Scottish Government and the Scottish Futures Trust (SFT) were also represented.
- 1.2 Two announcements of funds were made prior to the election, with an indication of £100k available to support the development of the City/Region Deal, and also £3m available to spend in 15/16 on city centre projects. This report seeks member endorsement for two projects which are to benefit Inverness city centre.
- 1.3 Work has continued with consultants EY to look at potential infrastructure projects, primarily in and around Inverness, which would help to boost the regional economy. The outcome of this work will be reported to full council in due course. The work has been jointly funded by the SFT and Highlands and Islands Enterprise (HIE).
- 1.4 Proposals for the £3m investment from the UK Treasury were developed based on preliminary work associated with opening up Inverness Castle as a visitor attraction, and the Smart Cities European Regional Development Funding (ERDF) gained through the Scottish Cities Alliance. They are for public realm works to improve the environment around Inverness Castle, and city centre Wi-Fi, which will benefit local people and visitors alike.

2. Inverness Castle: North Tower Viewing Platform

- 2.1 As per the previous committee report on 5 March 2015 it is proposed to turn

the North Tower of the castle into a viewing platform, for locals and visitors to access a 360° view of the city and surrounding area. Some initial work on how access might be provided to the North Tower to create a new viewing platform has been undertaken. This envisages an entrance area / shop on the ground floor, two further floors with interpretation, and access to two different viewing areas. The first (lower) of these is level with, and would be accessed from, the second floor interpretation area. The upper viewing area sits on the roof above this and would be accessed by a further staircase. These works have now achieved listed building consent and are going through the building warrant process. The aim is to go to tender in June with a completion date of Spring 2016, enabling an opening in time for the Easter holidays. The budget for these works has been provided by the Highland Council Development and Infrastructure Service (£200k), Inverness Common Good Fund (£100k), and HIE (£60k).

- 2.2 Further works are currently being investigated to upgrade the castle grounds. This will involve upgrading all paths, and the tarred area to the front of the Castle, to bonded aggregate, upgrading railings, and replacing benches. Re-grading works will be carried out to stabilise the castle banks. The path from Castle Wynd will be replaced with bonded aggregate, and the steps upgraded in line with the existing city centre streetscape works. These works will enhance the visitor experience of Inverness Castle, and will be funded from the additional resource provided as part of the City Deal through HM Treasury. It is estimated that £200k should cover the costs of these works.

3 Inverness Museum & Art Gallery/Castle Wynd Toilets

- 3.1 Design options will be investigated to re-clad the existing north and east elevations, with the remaining elevations being painted. The existing toilet block on Castle Wynd will also be investigated to look at possible re-cladding and re-roofing options. This will make a significant improvement to the environment leading up to the castle, helping to attract more visitors to the existing Inverness Museum and Art Gallery (IMAG). These works would also not be possible without the City Deal funding. The budget estimate for these works is c£700k.

4. Bridge Street/Castle Wynd

- 4.1 It is proposed that the existing streetscape works, which currently finish at the top of Church Street, be carried on across Bridge Street and onto Castle Wynd up to the entrance of the Museum and Art Gallery. The remaining part of Bridge Street should also be included, which will require realignment of the kerb lines and road widths, and rearrangement of the existing traffic island. This will then connect to the flood streetscape works on Bank Street. The materials used will all be in line with the existing streetscape works used within the City Centre.
- 4.2 In order to enhance this area, and create a shared space carriageway, discussion will take place to look at permanently relocating the existing taxi rank on Castle Wynd by creating new spaces on both sides of Bridge Street and further spaces on Castle Street. This will form the final element of the City Deal Funding. It is estimated that these works will cost £800k.

- 4.3 Estimates for the public realm works associated with Inverness Castle are £1.7m, however these are initial estimates, and therefore an allowance of a further £300k is recommended. This additional funding would provide the project team some flexibility in delivery, and the potential to enhance the project, allowing for better quality materials etc. It may also be possible to utilise these funds for other public realm works around the city centre, notably on Academy Street. Funding will be subject to the submission of a business case for approval to HM Treasury.

5. City Centre Wi-Fi

- 5.1 Tourism continues to be a key component of the Highland economy, and is identified as one of the Scottish Government's six growth sectors. In 2012 it was estimated that overnight tourism in the wider Inverness, Loch Ness and Nairn area was worth £246m per annum, while the equivalent figure for the urban area of Inverness was £123m. Providing up-to-date and relevant information about both the city's and the wider region's attractions, transport links, history and culture in an increasingly important aspect of enhancing the experience of visitors and promoting their spend in the area.
- 5.2 The Highland Tourism Action Plan 2020 has identified mobile and technological solutions as a means of supplementing the work of Visitor Information Centres in delivering information about the city to people. Visitors are increasingly reliant on mobile technology to access information about the area's attractions, transport links, history, and culture, however the sporadic nature of 3G and 4G coverage in Inverness affects the ability of visitors to access such information, and potentially contributes to a negative experience of the area. A public Wi-Fi service for Inverness City centre will be able to mitigate the gaps in this coverage while providing a means of promoting information about attractions and events in the region via the 'landing page' first accessed by users.
- 5.3 The importance of a Wi-Fi scheme extends beyond the boost to the visitor economy. While Wi-Fi 'hotspots' exist in some areas of public space in Inverness, such as the train and bus stations and along portions of the canal, much of the city centre lacks wireless connectivity. Potential benefits of increasing public access to Wi-Fi include promoting digital participation, boosting the profile of the Highland capital as a connected and smart city, and attracting investment.
- 5.4 There are two different solutions for delivering public Wi-Fi in Inverness depending on market circumstances and cost, the concessionary model and the directly funded model.
- 5.4.1 Concessionary model
The 'concessionary model' is a common means of delivering public Wi-Fi and is based upon a third party, usually a private sector organisation, designing, building and operating the Wi-Fi scheme. In exchange for operating the scheme, the private operator will derive revenue from the concession, either by offering enhanced mobile network coverage to phone operators or via advertising. For a concessionary model to be viable there must be a market

interest in running public Wi-Fi in Inverness. It should be noted, however, that Inverness is smaller than most of the cities that have operated the concessionary model in Scotland. Moreover, areas of public Wi-Fi already existing in the city will further reduce revenues available to the operator.

5.4.2 Directly Funded Model

An alternative model of rolling out public Wi-Fi entails the Council directly funding the infrastructural and recurring costs associated with the scheme. Initial estimates for this suggest a minimum cost of £500k to build, maintain and manage the service over a five year period. An expansion of the service to cover key areas such as the new Inverness campus could cost up to £1m. The directly funded model allows for free public Wi-Fi to be provided in the city if the market alternatives are not viable. In order to progress this work it is recommended that a project board is established and that consultancy support is procured by the Council.

5.4.3 Funding for the model chosen will be subject to the submission of a business case to HM Treasury for approval.

6. **Implications**

6.1 Resource

HM Treasury has indicated that spend must be achieved during 2015/16.

6.2 Legal, Equality, Climate Change/Carbon Clever, Rural, Gaelic

There are no legal, equality, climate change/Carbon Clever, rural or Gaelic implications arising from this report.

RECOMMENDATIONS

It is, therefore, recommended that the Committee:

- note the progress with developing a City/Region deal for Inverness and the Highlands;
- agree to develop a business case for public realm works in proximity to Inverness Castle at a cost of up to £2m for submission to HM Treasury for approval; and
- agree to develop a business case for a city centre public access Wi-Fi project at a cost of up to £1m for submission to HM Treasury for approval.

Designation: Director of Development and Infrastructure

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