

The Highland Council

Minutes of Meeting of the **Planning, Development and Infrastructure Committee** held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on Wednesday, 17 August 2016 at 10.30am.

Present

Mrs C Caddick	Mrs I McCallum
Mrs H Carmichael	Mrs M Paterson (Substitute)
Mr B Clark	Mr T Prag
Dr I Cockburn	Mr M Reiss
Mr J Crawford	Mr I Renwick
Mr G Farlow	Mr R Saxon
Mr J Gray	Dr A Sinclair
Mr R Greene	Mr J Stone (Substitute)
Mr B Lobban	Mr H Wood
Mr T MacLennan	

Non-Members also present:

Mr D Fallows	Mr R Laird
Mr C Fraser	Mr D Mackay
Mr K Gowans	

Officials in attendance:

Mr S Black, Director of Development and Infrastructure
Mr M MacLeod, Head of Planning and Building Standards
Mr C Howell, Head of Infrastructure
Mr A McCann, Economy and Regeneration Manager
Mr A Maguire, Head of Development and Regeneration
Mr S Dalgarno, Development Plans Manager
Mr R Gerring, Transport Planning Manager
Mr M Mitchell, Service Finance Manager
Mr E Boyd, Principal Engineer Energy & Engineering
Dr S Turnbull, Coastal Planning Officer
Mr D Cowie, Principal Planner
Mr C Baxter, Planner
Mr P Wheelan, Planner
Mr A Puls, Principal Officer, Building Conservation and Environment
Mr D Gallagher, Business Gateway Service Manager
Miss J MacLennan, Democratic Services Manager
Mr A MacInnes, Administrative Assistant
Mr S Taylor, Administrative Assistant

Also in attendance:

Mr R Robertson, Partnership Director, HITRANS (Item 4)

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

Dr A Sinclair in the Chair

Business

1. Apologies for Absence Liesgeulan

Apologies for absence were intimated on behalf of Mr M Finlayson, Mr M Green, Mr M Rattray and Mr G Rimell.

2. Declarations of Interest Foillseachaidhean Com-pàirt

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

Item 15 – Dr A Sinclair, Mr T Prag and Mr J Stone (all non-financial)

Item 20 – Dr A Sinclair (non-financial)

Item 21 – Mr T Prag (non-financial)

Item 22 – Mr G Farlow, Mr M Reiss and Mr R Saxon (all non-financial)

3. Recess Powers Cumhachdan Fosaìdh

The Committee **NOTED** that the recess powers granted by the Council at its meeting on 29 June 2016 had not required to be exercised in relation to the business of this Committee

4. Presentation – HITRANS Taisbeanadh – HITRANS

A presentation was undertaken by Mr Ranald Robertson, Partnership Director, The Highlands & Islands Transport Partnership (HITRANS) which was the statutory regional transport partnership covering Western Isles, Orkney, Highland, Moray and most of Argyll and Bute Area and worked with Councils, the Scottish Government, Transport Scotland, Highland & Islands Enterprise, transport operators and other stakeholders to improve transport services and infrastructure in the North of Scotland and on routes to the Highlands and Islands.

The presentation covered information about the organisation in relation to the Board members, funding, aims and objectives, the main issues to be addressed and work streams in relation to Active Travel and Smarter Choices; Aviation, Bus investment, Ferry, Road and Rail transport. It was advised that for every £1 that the Council put into HITRANS the Highland economy received £12 back.

During discussion, the following points were made:-

- HITRANS were requested to contact ScotRail in relation to concern with their fare policy for the rail journey between Inverness and Perth. In this respect, it was possible to book a ticket in advance for this journey for £11.50. However, if a passenger was on the same train for the journey from Carrbridge, Aviemore or Kingussie to Perth for example, the fare was £25. The fare policy had to be changed to address this inconsistency in pricing. The Partnership Director advised that he was a member of the ScotRail Stakeholder Advisory Panel and undertook to raise this issue. He did

advise that there was an Advance 2 fare between Carrbridge and Perth that cost £5 if booked early in advance;

- concern was expressed that the rail service between Inverness and Wick was often unreliable which affected the many commuters who used the train on a regular basis to travel to work, other local community users, tourists and was detrimental to carbon reduction targets. If public confidence was lost in the service this would affect the rail service with far fewer people choosing to use it which in the worst case scenario could affect the viability of the service. This should not be allowed to happen and it was requested that the Transport Minister of the Scottish Government be invited to the area to see the service in operation. Also, it was queried if, as part of the procurement for this service, it could be included in the contract that if a train driver was on sickness absence then the operator would require to provide a replacement driver as it was understood that a number of the cancellations in this service were due to drivers not turning up for work. It was advised that the aim was to have enough drivers having enough work to cover the far north route and discussions on this were being held with the operator. There were however industrial relations issues to be addressed;
- in relation to proposals for an air service to the Isle of Skye, it was queried as to which organisation was responsible for the timeline in bringing proposals forward. The Partnership Director advised that if all the current work streams to develop this proposal, such as funding, benefit cost ratio analysis and Civil Aviation Authority licensing requirements, were finalised then it was estimated that an air service and commercial airport on Skye could be delivered in two years. The benefit cost ratio analysis information on the air service should be known soon and would be reported to the Isle of Skye Ward Forum meeting;
- the volume of traffic on single track roads in Sutherland, Caithness and Wester Ross had increased substantially as a result of the popularity of the North Coast 500 route. It was queried what volume of traffic would there require to be in order for single track roads to be widened to double track. It was advised that this was a long route and funding would be an issue if any upgrades were required. However, there was a priority list for road improvements and these would be looked at to ascertain what the key priorities for improvements along the route should be;
- there was a need for significant improvements to some of the road network in Highland. Whilst some were not trunk roads, they were strategic roads and funding was required to improve them;
- it was advised that smart ticketing would happen and there was already an increasing prevalence of the use of such smart ticketing cards for various forms of public transport;
- bus services between north and south of the Badenoch area had been significantly reduced and this needed to be improved. Also, rail services at some stations in the area were minimal and there were services at times when they were least required. There were also instances where a six coach train scheduled to stop at Newtonmore did not do so as the platform was not long enough, which was an absurd situation and required to be addressed. The key issue was that whilst bus/rail services north and south needed to be maintained and faster journey times were important, this should not be achieved at the expense of local stops; and

- concern was expressed that the new roundabout at Fort William could not handle the volume of summer time traffic and this required to be addressed. Also, a road safety measure was suggested whereby if roadside foliage was cleared on popular tourist routes like the A82 in the vicinity of lay-bys, this would educate tourists that when the view on the road opened up, this would mean that a lay-by was nearby and they could pull in safely. The Partnership Director indicated that he would take on board this suggestion and discuss with the relevant authorities. It was also advised that this issue could be taken up at the Liaison Group meeting with Transport Scotland and Bear Scotland.

Having thanked Mr Robertson for his attendance at the meeting and for his very informative presentation, the Committee otherwise **NOTED** the presentation and the follow up action to be taken by HITRANS following comments as detailed above.

5. Revenue Budget – Final Outturn 2015/16 and Monitoring 2016/17 Buidseat Teachd-a-steach – Fìor Shuidheachadh Deireannach 2015/16 agus Sgrùdadh 2016/17

There had been circulated Report No. PDI/39/16 by the Director of Development and Infrastructure providing information on the final outturn for the revenue budget for the year to 31 March 2016, the revenue monitoring position for the Development and Infrastructure Service for the period to 30 June 2016 and the projected year end position.

During discussion, the following comments were made:-

- concern was expressed regarding the discrepancy in the previously reported predicted outturn of £0.013m underspend and the actual overspend of £0.575m for the year;
- public local Inquiries (PLIs) should not be included as part of the revenue budget and an alternative source of budgeting for this should be investigated. In response, it was confirmed that following discussion with the Finance service, the cost of PLIs had always been included within the service budget;
- concern was expressed regarding a fall in planning fee income;
- it was acknowledged that the increase in the revenue budget had resulted from a number of one-off changes to the Service and its finances during the year;
- a reduction in the use of consultants and an increase of in-house professional staff was highlighted;
- the difficulty experienced in implementing Social Impact Bonds was highlighted;
- a request was made for further information on specific activities within the Revenue Budget. In response, it was highlighted that links were available on the Council's website to specific activities included within the revenue budget and that Members were also welcome to ask officers for this information; and
- within the report, there were a number of projected savings which could not be guaranteed at this point in the year. In response, it was confirmed that updates on these projected savings would be provided at future meetings.

Thereafter, the Committee **APPROVED**:-

- i. the revenue budget final outturn statement for 2015/16; and
- ii. the monitoring report to 30 June 2016 and the actions proposed to manage the budget over the remainder of the financial year.

**6. Capital Expenditure – Final Outturn 2015/16 and Monitoring 2016/17
Caiteachas Calpa – Fìor Shuidheachadh Deireannach 2015/16 agus
Sgrùdadh 2016/17**

There had been circulated Report No. PDI/40/16 by the Director of Development and Infrastructure providing information on the final outturn for the capital budget for the year to 31 March 2016.

The report also outlined the expenditure and income to 30 June 2016 for the 2016/17 capital programme.

During discussion, the following comments were made:-

- in response to concern regarding a lack of progress with the Stromeferry Bypass, it was confirmed that an update report would be provided following the submission of the STAG report to the Scottish Government;
- with regard to the Portree Link to A855, it was confirmed that the additional funds required to finish the project would be included in the allocations budget for recommendation at a future Committee meeting;
- with regard to Seater Landfill site, it was highlighted that, from 2020, compostables would not be permitted to be put to landfill;
- with regard to the overspend of £0.2m on replacement cladding at the Wick Office, it was previously understood that this was to be of zero cost to the Council. In response, it was confirmed that the contractor would replace the cladding at their own cost; however, the reasons for the £0.2 m overspend would be investigated and reported to the Member;
- the progress of Muir of Ord Railway Bridge was highlighted;
- a request was made for Naver Bridge to be included within a list of Lifeline Bridges; and
- it was highlighted that work on the Inshes Roundabout was under review whilst the Council awaited Transport Scotland's decision on its preferred option for the junction layout. In response, Members were advised that regular updates would be provided to the Committee on the Inshes Roundabout and the A9/A96 East Link/Longman Interchange projects included within the Inverness and Highland City Region Deal. A request was also made that no traffic lights should be installed at the Inshes Roundabout.

Thereafter, the Committee **APPROVED**:-

- i. the capital expenditure outturn position for 2015/16;
- ii. the capital expenditure monitoring position for the period to 30 June 2016; and
- iii. a budget increase for extension/restoration at Seater Landfill Site.

7. **Planning Performance Framework and Quarter 1 Performance Review** **Frèam Dèanadas Dealbhaidh agus Ath-bhreithneachadh Dèanadais Cairteil** **1**

There had been circulated Report No. PDI/41/16 by the Director of Development and Infrastructure seeking approval of the Planning Performance Framework (PPF) for 2015/16 submitted annually to Scottish Government.

The report also provided an update on the delivery of the Development Management, Building Standards and the Development Plan services for the first Quarter of 2016/2017 and on the review of the planning system “Empowering Planning to Deliver Great Places”, recently undertaken by an independent panel.

During discussion, the following comments were made:-

- in relation to the key recommendations identified within the independent panel’s review of the planning system, it was suggested that, under Section 11 of the review, the replacement of “the island authorities” with “rural areas” would better reflect comment made in the recommendation regarding the islands and any other relevant authorities; and
- more support and flexibility should be provided to help increase development in sparsely populated areas in order to stem their fragility and increase resilience.

The Committee:-

- i. **APPROVED** the Planning Performance Framework for submission to Scottish Government;
- ii. **NOTED** the performance updates for the Development Management, Building Standards and the Development Plans teams; and
- iii. **NOTED** the current position of the Scottish Government’s review of the planning system.

8. **2016 Development Plan Newsletter – Update** **Cuairt-litir Plana Leasachaidh 2016 – Cunntas às Ùr**

There had been circulated Report No. PDI/42/16 by the Director of Development and Infrastructure which advised that, in February 2016, the Committee had approved the publication of the 2016 Development Plans Newsletter which set out the timescales for preparing and updating the Council’s Development Plan documents.

In this respect, the report introduced an update to the 2016 Newsletter to take into account a review of the team Work Programme, with the main change being to postpone the next stages of the Highland-wide Local Development review until Area Local Development Plans for Caithness & Sutherland and West Highland and Islands were at an advanced stage.

During discussion, the following comments were made:-

- whilst the Council did not prepare the local plan for those parts of Badenoch and Strathspey which came under the jurisdiction of the Cairngorm National

- Park Authority, it was highlighted that the Council processed 95% of all applications within the Badenoch and Strathspey area;
- in relation to the Caithness and Sutherland Local Development Plan Committees, concern was expressed regarding a number of late additions to the Plan which had not been highlighted to Members of the Caithness Committee; and
 - in response to comment that the Council issued a considerable amount of correspondence and communications in relation to plans and consultations, it was highlighted that the Council had a statutory duty to prepare a development plans scheme and that feedback regarding the newsletter format of the Development Plan had been positive.

Thereafter, the Committee:-

- i. **APPROVED** the update to the 2016 Development Plans Newsletter at Appendix 1 for publication, subject to the outcome of the Caithness & Sutherland Local Development Plan item at the Caithness and Sutherland Local Committees on 30 and 31 August;
- ii. **NOTED** the implications this would have for the work programme in the Development Plans team; and
- iii. **APPROVED** the final Development Plans Newsletter as the 2016 Development Plan Scheme for submission to Scottish Ministers and publication on the Council's website.

9. Highland-wide Local Development Plan – Post Main Issues Report Interim Position
Plana Leasachaidh Ionadail na Gàidhealtachd air Fad – Suidheachadh Eadar-amail an dèidh Aithisg nam Prìomh Chùisean

There had been circulated Report No. PDI/43/16 by the Director of Development and Infrastructure providing feedback on the comments received during the Main Issues Report consultation for the Highland-wide Local Development Plan and setting out the recommended position on issues raised for approval.

During discussion, the following comments were made:-

- the proposed changes to the policy on Houses in Multiple Occupation to be based on a bed-spaced proportion rather than individual residential units was welcomed;
- high quality design was an aspiration that should be adhered to during consideration of planning applications; and
- the proposed inclusion of tourism attractions and associated services within the Town Centres First Policy was welcomed.

Having reviewed and **NOTED** the comments received in relation to the Highland-wide Local Development Plan Main Issues Report, the Committee **AGREED** the recommended interim position as set out in Appendix 1 of the report which would then inform the future stages of reviewing the Highland-wide Local Development Plan.

10. Onshore Wind Energy Supplementary Guidance - Review Stiùireadh Leasachail Lùth-Gaoithe Air Tìr – Ath-sgrùdadh

There had been circulated Report No. PDI/44/16 by the Director of Development and Infrastructure presenting the Onshore Wind Energy Supplementary Guidance for adoption.

In this regard, the Supplementary Guidance sought to provide an effective framework for guiding wind energy development in Highland. This was the result of a review of the Onshore Wind Energy Interim Supplementary Guidance (2012), Small Scale Wind Turbine Proposals Interim Supplementary Guidance (2012) and the current pattern of wind energy development in Highland, taking into account stakeholders' views gathered following the publication of the Draft Supplementary Guidance last year.

During discussion, the following comments were made:-

- some areas had been identified as having potential for wind farm development where applications had previously been turned down and applicants should not be encouraged to apply for developments within these areas;
- there was concern regarding the status of the Supplementary Guidance as a material consideration when dealing with planning applications;
- in response to comments regarding ownership of estates within Group 1 of the Spatial Frameworks maps, it was highlighted that these areas had an environmental designation which prevented the development of wind farms;
- there was disappointment that the other area studies proposed in the report had not been completed prior to publication of the Guidance. In this respect, the scope for guiding development (particularly in Caithness) could be lost due to the volume of planning and development already taking place although it was noted that these studies would be completed shortly;
- there was concern that the Guidance suggested that there might be opportunities for existing windfarms to be expanded within the Loch Ness study area when it was also stated that there was no strategic capacity within the area;
- it was important to consider the combined cumulative visual impact from both offshore and on shore wind farm developments, particularly along the East Coast Highlands and in Caithness;
- the Council's online interactive wind turbine map was highlighted as a useful tool for potential developers and communities to look at areas where wind turbine applications had previously been turned down;
- farmers looking to diversify their income by installing a small wind turbine might find it more difficult to get permission as the Guidance inferred that larger scale developments could be preferable in some areas;
- the Council's onshore wind energy target of 1240 MW for 2016 had already been surpassed;
- the capacity of large mature strands of coniferous planting to remove carbon from the atmosphere, which was often felled in order to accommodate wind farm development, was highlighted;
- figures within the Highland Renewable Energy Strategy had indicated that offshore wind energy (such as the Beatrice Wind Farm) could produce a large percentage of total renewable energy within in Highland; and

- the further area landscape sensitivity studies indicated at Sections 2.3.2 and 2.3.3 of the report should be undertaken for completion with a timescale of within a year to enable reflection on the Supplementary Guidance.

Having considered the comments received on the Draft Supplementary Guidance, the Committee:-

- i. **AGREED** the Council responses as set out in Appendix 1;
- ii. **AGREED** to adopt the Onshore Wind Energy Supplementary Guidance as statutory Supplementary Guidance to the Highland-wide Local Development Plan (2012), as set out in Appendix 2, subject to finalisation of the Habitats Regulations Appraisal by officers, and any feedback from Scottish Ministers during the statutory process for adoption;
- iii. **AGREED** that the Supplementary Guidance be used as a material consideration for planning decisions and advice with immediate effect;
- iv. **NOTED** the progress on further landscape sensitivity and strategic capacity work as set out in section 2 of the report;
- v. **AGREED** that the Highland Renewable Energy Strategy (HRES) would no longer be used as a material consideration with generation targets to be carried forward for monitoring purposes; and
- vi. **AGREED** that the further area landscape sensitivity studies indicated at sections 2.3.2 and 2.3.3 of the report be undertaken for completion with a timescale of within a year to enable reflection on how effective the Supplementary Guidance had been be prepared in a year's time.

11. Historic Windows and Doors: Planning Guidance for Listed Buildings and Unlisted Buildings in Conservation Areas (Consultation Draft)
Uinneagan is Dorsan Eachdraidheil: Stiùireadh Dealbhaidh airson Thogalaichean Clàraichte agus Thogalaichean Neo-chlàraichte ann an Sgìrean Glèidhteachais (Dreachd Cho-chomhairle)

There had been circulated Report No. PDI/45/16 by the Director of Development and Infrastructure setting out planning guidance for Historic Windows and Doors in Listed Buildings and Unlisted Buildings in Conservation Areas.

During discussion, the following comments were made:-

- the inclusion of a 'Frequently Asked Questions' section within the guidance would be helpful;
- there was concern that the guidance did not emphasise for potential applicants that precedent for inappropriately installed windows within conservations areas would not be considered as a material consideration;
- concern was also expressed at the cost to new and existing house owners of renewing historic windows in conservation areas; and
- when new owners took on a historic building, they should be made fully aware of the responsibility to maintain the historical aspect of the windows.

Thereafter, the Committee **APPROVED** the Historic Windows and Doors: Planning Guidance for Listed Buildings and Unlisted Buildings in Conservation Areas for public release and a six week consultation.

At this point the meeting adjourned for lunch and the meeting resumed at 1.50 p.m.

12. Regional Transport Strategy Main Issues Report – Consultation Response Aithisg Phrìomh Chùisean Ro-innleachd Còmhail Roinneil – Freagairt Cho-chomhairle

There had been circulated Report No. PDI/46/16 by the Director of Development and Infrastructure inviting Members to consider the Council's response to the draft Regional Transport Strategy Re-fresh Main Issues Report for the Highland and Islands Transport Partnership (HITRANS) area.

During discussion, the following comments were made in relation to the draft consultation response:-

- Annat at Corpach should be included within the list of Harbours in Paragraph 2 of the response to Question 1;
- greater emphasis should be placed on specific areas along the A9, A95, A96 and A82 which required upgrading;
- the importance of providing a free-flow of traffic through towns located on trunk roads should be emphasised;
- the inclusion of North Coast 500 logos on existing signs could enhance the visibility of the route;
- issues highlighted in the review of the Caithness Transport Policy by the Caithness Transport Forum should be included in the response; and
- the importance of ensuring that public toilets on the A835 between Dingwall and Ullapool were open should be highlighted.

It was highlighted that both Transport Scotland and BEAR Scotland had given an indication that Members would be welcome to contact these organisations during the period between meetings of HITRANS. It was also confirmed that Members would be sent a copy of the link to the next stage of the Regional Transport Strategy Re-fresh when it became available.

Thereafter, the Committee **APPROVED** the response to the draft Regional Transport Strategy Re-fresh Main Issues Report for the HITRANS area as set out in Appendix 1, subject to the inclusion of additional comments raised in discussion as set out above.

13. Proposed Special Protection Areas – Moray Firth and Rum Sgìrean Glèidhteachais Sònraichte a Thathar a' Moladh – Linne Mhoireibh agus Rum

There had been circulated Report No. PDI/47/16 by the Director of Development and Infrastructure outlining the proposed consultation response to be sent to Scottish Natural Heritage regarding the proposed designation of a large section of the Moray Firth and Rum as Special Protection Areas for their bird interests.

During discussion, and with reference to the proposed response, it was suggested that the importance of wildlife tourism in the area should also be highlighted.

Thereafter, the Committee otherwise **APPROVED** the response as set out in Appendix 1 – with the inclusion of reference to the importance of wildlife tourism as detailed.

**14. Draft Service Plan 2016/17 – Development and Infrastructure Service
Dreachd Plana Seirbheis 2016/17 – Seirbheis an Leasachaidh agus a’ Bhun-
structair**

There had been circulated Report No. PDI/48/16 by the Director of Development and Infrastructure which outlined how the Development and Infrastructure Service would lead and support commitments which would deliver ‘Highland First’, the Programme of the Highland Council.

The Plan also detailed how the Service would operate, its approach and priorities.

During discussion, it was suggested that there was a need for further information on the impact of voluntary redundancy on the Service. It was also suggested that further clarification should be included in future reports in terms of what could be done for sparsely populated areas in particular.

In terms of references to the Regional Sports Centre project, the sustained investment in local sports facilities over a number of years was highlighted. In this regard, it was stressed that it was vital that this project was progressed within the Capital Programme in addition to other significant projects for the area, particularly in light of the potential benefits for future athletes from the area as had been evidenced by the recent successes at the Rio Olympic Games.

Having considered the draft Development and Infrastructure Service - Service Plan 2016/17, the Committee otherwise **APPROVED** the Draft Service Plan for 2016/17 as circulated.

**15. Business Development: Growing Our Economy - Update
Leasachadh Gnothachais: A’ Fàs Ar N-Eaconamaidh – Cunntas às Ùr**

Declarations of Interest – As Directors of the Board of Highland Opportunity Ltd, Mr T Prag, Dr A Sinclair and Mr J Stone each declared a non-financial interest in this item but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors’ Code of Conduct, each concluded that their interest did not preclude them from taking part in the discussion.

There had been circulated Report No. PDI/49/16 by the Director of Development and Infrastructure which updated Members on the performance of the Council’s Business Development services and summarised the delivery of Business Gateway over the first quarter of 2016, as well as providing details of how the Council’s wider business development services had performed over the first quarter of 2016/17. In this regard, the Business Gateway Service, as well as the Council’s services to businesses in the Highlands, was now being delivered directly by the Development and Infrastructure Service.

The report also set out proposals for performance reporting across all the Council's Business Development services at a Highland and area level.

During discussion, and with particular reference to tourism development, it was suggested that further information was required in terms of how support was being given to the Cairngorms Business Partnership.

In relation to Highland Opportunity Limited, further information was sought on the current situation as to the continuation of business, particularly in terms of the information currently available to potential applications. Also, there was a need to convey thanks to the relevant Officers for the work undertaken to date on the transfer of services and it was stressed that it was imperative that the Loan Fund in particular continued to be successful for all concerned.

With reference to Business Gateway, it was crucial that the relationship between the Council and Highland & Islands Enterprise continued to work well to support growth activity across the Highland area.

Thereafter, the Committee:-

- i. **NOTED** Business Development Service performance for the 1st Quarter of 2016; and
- ii. **APPROVED** the proposals for reporting business development activity at a Highland and twice yearly at an Area level as outlined in Section 2 of the report.

16. Scottish Government Enterprise and Skills Review Ath-sgrùdadh Iomairt agus Sgilean Riaghaltas na h-Alba

There had been circulated Report No. PDI/50/16 by the Director of Development and Infrastructure advising Members of the purpose of the Scottish Government's Enterprise and Skills Review and seeking approval for the Council's response to this review.

The Committee **HOMOLOGATED** the Council's submission to the Enterprise Skills Review as set out in Appendix 1.

17. Internal Audit Report on Carbon Reduction Commitment Energy Efficiency Scheme for 2014-15 Aithisg In-Sgrùdaidh mu Sgeama Èifeachdais Lùtha agus Gealltanais Càrbon a Lùghdachadh airson 2014-15

There had been circulated Report No. PDI/51/16 by the Director of Development and Infrastructure summarising the findings of the Internal Audit report on the Council's annual submission for the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme for the period 2014-15.

The Committee **NOTED** the improvement actions which had been taken, the cost of the CRC tax scheme and that measures were required to reduce carbon emissions specifically from buildings to reduce the financial burden on the Council.

18. Flood Preventions Schemes Update Cunntas às Ùr mu Sgeamaichean Casg Thuiltean

There had been circulated Report No. PDI/52/16 by the Director of Development and Infrastructure which provided an update on the progress being made on the development of flood protection schemes and studies funded through the Major Flood Schemes Capital Programme.

During discussion on progress with Flood Protection Studies, it was confirmed that further clarification would be provided for Members on where and when agreement had been reached in terms of the financial contribution from the Council towards work on the River Gynack, Kingussie.

It was also confirmed that all opportunities would be taken to investigate options for natural flood risk management where feasible.

In regard to Golspie and the River Thurso, it was confirmed that the scope of the study to assess the flood risk in Golspie centre from the sea was being developed and it was expected that this would be tendered and awarded to Consultants in the next three months. This appointment would also include the River Thurso.

Thereafter, the Committee otherwise **NOTED** the progress to date on the development of flood protection schemes and studies as detailed in the report.

19. River Ness Flood Alleviation Scheme Phase 1 Update Cunntas às Ùr mu Cheum 1 de Sgeama Casg Thuiltean Abhainn Nis

There had been circulated Report No. PDI/53/16 by the Director of Development and Infrastructure which provided an update on the dispute proceedings by Morgan Sindall on the River Ness Flood Alleviation Phase 1 Contract and Budget Forecast.

During discussion, disappointment was expressed in relation to the outcome of the dispute proceedings, and it was important that a 'lessons learned' review should now be undertaken. However, it was important not to lose sight of the scale and complexity of the project and the considerable benefits which had been achieved, not least in regard to the flood prevention arrangements which were now in place.

In regard to lessons learned, it was suggested that previous experience of problems which had emerged during test work on past projects should be taken account of as part of the preparation for future projects. Also, detailed consideration should be given to an appropriate contingency figure within future budgets for potential compensation claims.

Further, it was highlighted that, in addition to a grant from the Scottish Government and funding from the Council, significant finance had also been made available for this project from the Inverness Common Good Fund.

Thereafter, the Committee **NOTED**:-

- i. the outcome of the dispute proceedings and the forecast outturn on this project;

- ii. that the financial implications would be reported at a future Committee meeting; and
- iii. that, in accordance with the Council's project management guidance, a lessons learned review would also be undertaken.

20. Housing Development Investment Tasgadh ann an Leasachadh Taigheadais

Declaration of Interest – Dr A Sinclair declared a non-financial interest in this item as a Board Member of the Highland Small Communities Housing Trust but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that the interest did not preclude her from taking part in the discussion.

There had been circulated Report No PDI/54/16 by the Director of Development and Infrastructure seeking approval to an amended programme of new builds affordable housing.

The report also sought approval of grant assistance in support of affordable housing projects and for the sale of land in support of housing development.

During discussion, and following a query as to progress with the project at Breachan Court, Grantown on Spey, it was confirmed that it was hoped to obtain planning permission within the next year.

Thanks were also conveyed to the Head of Development & Regeneration and his team for the considerable and much appreciated work which had been undertaken in regard to the delivery of affordable new homes across the Highlands over recent years.

Thereafter, the Committee **AGREED:-**

- a) on terms and conditions to be agreed by the Director of Development and Infrastructure, that:
 - i. the terms of the previously agreed development loan to Albyn Housing Society be extended for repayment to 31 March 2017;
 - ii. a grant of £30,000 be offered to Albyn Housing Society to support development of the affordable housing project at Bellfield, North Kessock;
 - iii. a grant of £98,320 be offered to Albyn Housing Society to support development of the assisted living housing pilot project under development in Alness;
 - iv. an area at Struan Road, Portree, extending to approximately 0.02ha, be transferred, with the consent of Scottish Ministers, to Taic at nil consideration for the development of a support centre; and
 - v. land extending to approximately 0.065ha at Carriehair Crescent, Edderton be sold to The Highlands Small Communities Housing Trust for nil consideration.
- b) an amended programme of new build affordable housing as set out in Appendix 1 of the report.

**21. Inverness Airport Business Park Ltd – Unsecured Loan Stock
Pàirc Gnothachais Port-adhair Inbhir Nis Eta – Stoc Iasaid Neo-thèarainte**

Declaration of Interest – Mr T Prag declared a non-financial interest in this item as the Council appointed Director of Inverness Airport Business Park 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.

There had been circulated Report No. PDI/55/16 by the Director of Development and Infrastructure providing information on the outstanding Loan Stock due to the Council from Inverness Airport Business Park Ltd and outlining the outcome of the assessment of a revised Business Plan that was scheduled to be received by the Council.

The report also highlighted the Company’s repayment intentions, the extended repayment timescale proposed and the risks for the Council.

During discussion, and in regard to concern about repayment of the loan, it was confirmed that Inverness Airport Business Park Ltd had advised that repayment was not in doubt. There was uncertainty over the timing of repayment based on market conditions and the speed of development but it was stressed that this should be seen in the context of what the Loan Stock had already achieved and the future benefits for the Council.

Thereafter, the Committee **NOTED**:-

- i. the proposed repayment terms proposed by Inverness Airport Business Park Ltd;
- ii. the caveats around the payment profile;
- iii. the ongoing External Audit interest in the issue; and
- iv. the treatment of the outstanding Loan Stock as a soft loan in the Council’s 2015/16 Annual Accounts.

**22. Caithness and North Sutherland Regeneration Partnership Advisory Board
– Minutes
Bòrd Comhairleachaidh Com-pàirteachas Ath-bheothachaidh Ghallaibh is Chataibh a Tuath – Geàrr-chunntas**

Declarations of Interest – As Members of the Caithness and North Sutherland Regeneration Partnership Advisory Board, Mr G Farlow, Mr M Reiss and Mr R Saxon each declared a non-financial interest in this item but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors’ Code of Conduct, each concluded that their interest did not preclude them from taking part in the discussion.

There had been circulated Minutes of Meeting of the Caithness and North Sutherland Regeneration Partnership Advisory Board held on 22 March 2016 which were **NOTED**.

23. Minutes Geàrr-chunntas

There had been circulated Minutes of the Planning Applications Committees (PAC) for:-

- i. South PAC – 12 April, 2016
- ii. North PAC – 26 April, 2016
- iii. South PAC – 17 May, 2016
- iv. North PAC – 7 June, 2016

The Committee **NOTED** the terms of the Minutes as presented.

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 should be excluded from the meeting for the following item on the grounds that it involved the disclosure of exempt information as defined in Paragraphs 6 and 9 of Part 1 of Schedule 7A of the Act.

25. Property Transactions Monitoring Report Aithisg Sgrùdaidh Ghnothachasan Seilbhe

Declaration of Interest – As a Director of Nairn Distillery Limited, Mr M Green declared a financial interest in this item and left the Chamber.

There had been circulated to Members only Report No. PDI/56/16 by the Director of Development and Infrastructure which provided details of the General Fund and Property Account transactions approved by the Head of Property Partnerships and Corporate Property Asset Manager under delegated authority.

The Committee **APPROVED** the monitoring statements for the General Fund and Property Account transactions approved by the Head of Property Partnerships and Corporate Property Asset Manager under delegated authority, Budgeted Sales for 2016/17 and Future Years Sales.

The meeting concluded at 3.15pm.