

## The Highland Council Tourism Committee

Minutes of Meeting of the Tourism Committee held remotely on Wednesday, 17 March 2021 at 10.30am.

### Present:

Mr G Adam	Mr A MacInnes
Mr R Bremner	Mr S Mackie
Mr J Bruce	Mr D Macpherson
Dr I Cockburn	Mr H Morrison
Mr C Fraser	Mrs M Paterson
Mr J Gordon	Mr D Rixson
Mr A Henderson	Ms M Smith

### Non-Members also Present:

Mrs J Barclay	Mr B Lobban
Mrs I Campbell	Mr G Mackenzie
Mrs H Carmichael	Mr C Munro
Mr K Gowans	Mrs T Robertson
Mr A Graham	Mr P Saggars
Mr J Finlayson	Mr B Thompson

### Officials in attendance:

Mrs D Manson, Chief Executive  
Mr M MacLeod, Executive Chief Officer Infrastructure and Environment  
Ms C McDiarmid, Executive Chief Officer Communities and Place  
Mr C Simpson, Principal Officer – Europe, Tourism & Film, Infrastructure & Environment  
Mr P Waite, Countryside Team Leader, Infrastructure & Environment  
Mr A McKinnie, Senior Waste Manager, Communities and Place  
Mrs L Dunn, Principal Administrator, Performance and Governance  
Ms F MacBain, Committee Administrator, Performance and Governance

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

### Mr Gordon Adam in the Chair

#### Preliminaries

The Scottish Government had announced, the previous day, earlier than expected lifting, from 26 April 2021, of Covid-19 restrictions in relation to tourism and travel.

- \* Given the need to prepare for this, the Committee **AGREED** to recommend to the Council that a special meeting of the Committee be held on either 21 or 22 April 2021, or the previous week, depending on the ability of officers to prepare the required reports in adequate time, this to be decided outwith the meeting.

#### 1. Apologies for Absence Leisgeulan

There were no apologies for absence.

## 2. **Declarations of Interest** **Foillseachaidhean Com-pàirt**

Item 4 – Mr D Rixson (Non-financial)

Item 5 – Mr D Rixson (Non-financial)

**The undernoted Members declared interests relating to all items on the agenda for the reasons provided but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that their interests did not preclude their involvement in the discussion:**

### **Financial interests applicable to all items:**

Mr G Adam - part owner of two self-catering units

Mr J Gordon – Air BnB provider

Mr A Henderson – B&B provider

Mr H Morrison – Hotel owner

Ms M Smith – director of Thistle Excursion (not trading this year)

Mr R Bremner - provider of AirBnB but has been closed since summer last year and is still closed due to current restriction

### **Non-financial interests applicable to all items:**

Mr G Adam – Director of a glamping business

Mr J Gordon – Council Representative of Skye Connect

## 3. **Storr Car Park/Toilets** **Pàirc-chàraichean/Taighean-beaga an Stòir**

There had been circulated TC/01/21 dated 3 March 2021 Executive Chief Officer Infrastructure and Environment.

During discussion, the following issues were considered:

- the Tourism Team, Ward Manager, and local Members were thanked for their work on the project which would transform the area for the benefit of local residents and visitors;
- the importance of local engagement and deploying local contractors was also highlighted and there was a need for this approach to be incorporated into an ambitious programme to deliver visitor management improvements across the Highlands; and
- reference was made to the importance of the project given the problems that had been experienced in previous years, such as traffic congestion, lack of public conveniences and proper paths. It was hoped the project would encourage business opportunities for locals and income generation for the Council.

The Committee:

- i. **NOTED** the good progress on this particular site; and
- ii. **AGREED** that further opportunities for the delivery of new visitor management related car park improvements are moved forward at pace as part of The Highland Council's agreed process for car park charging roll-out.

#### **4. Visitor Management Plan Plana Stiùiridh Luchd-tadhail**

**Mr D Rixson declared a non-financial interest in this item as the Council's representative on the Isle of Rum Community Trust and as the Secretary of the Mallaig Heritage Centre but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that his interest did not preclude his involvement in discussion.**

There had been circulated TC/02/21 dated 4 March 2021 Executive Chief Officer Infrastructure and Environment.

A presentation was provided on key issues affecting visitor management, lessons learnt from previous years, and plans for future improvements. A summary was provided of the Council's role in visitor management, including roads and parking management, outdoor access, public toilets, waste management, motor homes, public transport, working with partners and the planned next steps.

During discussion, the following issues were considered:

- the Convener pointed out that the absence of a map showing parking provision in Ward 20 was not acceptable. The map should be issued to all Council Members, to include Ward 20;
- attention was drawn to the problems faced when popular sites of interest were on private land where land-owners were discouraging visitors and blocking visitor management solutions. This would be discussed with the Council's Legal Services;
- concern was expressed that some information had been provided to Community Councils and not to local Members and it was requested that proposals should be considered at ward business meetings as a general rule. Specifically, the car park proposals should be discussed at ward business meetings within the coming two weeks if possible, prior to proposals being presented at the next meeting of the Committee, which it was hoped would be in mid to late April 2021;
- assurance was sought and provided that car park meters would have cashless payment options;
- the trial of bus services to visitor sites on Skye during the three peak tourist season months was welcomed and it was hoped this might be expanded elsewhere, with Fort-William to Glenfinnan provided as an example of somewhere that would benefit from a visitor bus service. In addition to longer term solutions such as the bid to the Strategic Bus Infrastructure Fund, consideration should also be given to more immediate solutions;
- attention was drawn to the problem of potholes on many Highland roads, exacerbated by the recent severe winter weather, and likely to be further affected by large numbers of motor homes;
- the usefulness of having someone directing traffic at busy visitor attraction car parks during peak times was highlighted and it was suggested community volunteers could be trained to assist during busy periods;
- the importance of liaison with the police and other partners should be strengthened in the Plan. A weekly update from the police on issues at tourist hotspots would be helpful and the public should be provided with information on the depth and breadth of the role of the police in visitor-related matters to avoid unrealistic expectations from the public;

- work should be undertaken in partnership with the private sector to support commercial provision;
- it was important that dates were added to the Plan, and attention was drawn to the tight timescales required to avoid repeating the problems experienced the previous summer, and also to the additional budget available this year to tackle some of the problems. It was confirmed that detailed action plans would be developed and that while not everything would be in place by 26 April, it was hoped they would be in place before peak tourist season. The announcement of the lifting of restrictions on travel and tourism on 26 April had been unexpected;
- the team were commended for their work on the Plan to date;
- the visibility and identifiability of rangers or other visitor-related staff was important;
- partnership working with communities was vital;
- it would be helpful if all rangers were trained to a similar level as the Council rangers;
- the Tourism Committee had only been in operation since mid-2020, with one aim being to attract funding from the Scottish Government and other organisations, and that tourism was not a statutory requirement of the Council but was nevertheless being undertaken. Attention was drawn to staff pressure in this area and the improvements which had already been undertaken;
- attention was drawn to the number of people and businesses affected economically by the Covid crisis and the need to find a balance between opening up the economy while still caring for communities. The Highlands was a bolt hole for many people from urban areas in Scotland and beyond and it was important awareness of this was raised with the Scottish government to ensure they understood the challenges being faced in the Highlands and the need for flexibility on how rules were applied given the unique situation;
- ward business meetings would be key to obtaining Members' feedback on the issues contained in the Plan; and
- the need to develop 'aires' for motor homes was emphasised and it was important they could be established with minimum bureaucracy to encourage people to set them up. An appropriate Scottish name was required, and suggestions would be emailed to Members of the Committee to vote on. Gaelic options would be verified with the Gaelic Translation Officer.

The Committee **AGREED:**

- i. the immediate implementation of The Highland Council Visitor Management Plan for 2021 subject to incorporating any proposed further alterations;
- ii. the ongoing modification of the Plan to consider longer term requirements in a 5-year Visitor Management Plan;
- iii. the continuation of the cross-service officer group to monitor progress of the Plan and liaise with other agencies involved in visitor management;
- iv. to discuss legal issues around visitor attractions being on private land with the Council's legal services;
- v. to issue the map showing Council Visitor Facilities and Car Parks to all Council Members;
- vi. the car park proposals be taken in the first instance to ward business meetings for discussion, ideally within two weeks of the 17 March 2021, prior to proposals being taken to the next meeting of the Tourism Committee;
- vii. to strengthen reference to increasing liaison with the police and other partners in the Plan;

- viii. to consider, outwith the meeting, alternative short term solutions to traffic congestion at popular visitor attractions, such as the Glenfinnan monument, pending longer term solutions being finalised (such as the bid to the Strategic Bus Infrastructure Fund); and
- ix. that Committee members be invited to vote on options for naming the proposed motor home 'aires' by email.

## 5. Tourism Infrastructure Bun-structair Turasachd

**Mr D Rixson declared a non-financial interest in this item as the Council's representative on the Isle of Rum Community Trust and as the Secretary of the Mallaig Heritage Centre but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that his interest did not preclude his involvement in discussion.**

There had been circulated TC/03/21 dated 3 March 2021 by the Executive Chief Officer Infrastructure and Environment.

During discussion, the following issues were considered:

- it was hoped there would shortly be an announcement on the outcome of the five waitlist projects detailed in the report;
- the Tourism Team were thanked for their work;
- it was important, going forward, to collect adequate data, for example on parking or waste disposal pressure points, which could be used for future funding and resourcing decisions. The employment of seasonal ranger / wardens would help with this and reference was made to the piloting of an app that could be used to gather data and that might, in future, be able to provide real-time information on pressure points etc;
- the seasonal ranger posts would be advertised through MyJobScotland and through social media. Members' assistance with publicity at local level was encouraged; and
- the helpfulness of using volunteer litter pickers was raised, along with the issues of insurance and liability, especially near roads. This would be further investigated outwith the meeting. A brief summary was provided of the intended work of the additional seasonal waste management staff.

The Committee:

- i. **NOTED** the current position with the production of a Highland Tourism Infrastructure Plan;
- ii. **NOTED** the current situation with tourism infrastructure projects that are under way; and
- iii. **AGREED** to investigate issues around the use of volunteers for litter picking, particularly in the vicinity of roads.

The meeting ended at 12.30pm

## **The Highland Council**

### **Pensions Committee and Pension Board**

Minutes of Meeting of the **Pensions Committee and Pension Board** held Remotely on **Thursday 18 March 2021 at 10.30am.**

#### **Present:**

##### **Pensions Committee**

Mr R Gale  
Mr R Bremner  
Mrs H Carmichael  
Mr C Fraser  
Mr A Jarvie  
Mr B Lobban  
Mr D Louden  
Mr P Saggars  
Mr B Thompson

##### **Pension Board**

Mrs C Caddick, The Highland Council  
Mrs M Paterson, The Highland Council  
Mr C Nicolson, Comhairle nan Eilean Siar  
Mr R Fea, Representative for other Employers  
Mr D MacDonald, Unison (substitute)  
Mr E Macniven, GMB

##### **Non-Members in Attendance**

Mr A Henderson  
Mr C Munro  
Mr R MacWilliam  
Mrs T Robertson

##### **Officials in attendance:**

Mr E Foster, Head of Corporate Finance and Commercialism, Resources & Finance Service  
Mr S Fraser, Joint Secretary (Scheme Manager's Joint Secretary)  
Mr J Gibson, Joint Secretary (Trade Unions' Side)  
Mr C MacCallum, Payroll & Pensions Manager, Resources & Finance Service  
Mrs M Grigor, Finance Manager (Corporate Budgeting, Treasury and Taxation), Resources & Finance Service  
Ms C Stachan, Accountant, Resources & Finance Service  
Mr J Campbell, Senior Auditor, Resources & Finance Service  
Mrs L Dunn, Principal Administrator, Performance & Governance Service  
Mr A MacInnes, Administrative Assistant, Performance & Governance Service

##### **Also in attendance:-**

Mr R Bilton, Hymans Robertson  
Mr J Boyd, Audit Director, Grant Thornton  
Mr K Ettles, AON Hewitt, Investment Principal and Actuary

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

**Mr R Gale in the Chair**

## BUSINESS

### 1. **Apologies for Absence** **Leisgeulan**

Apologies for absence were intimated on behalf of Mr A MacKinnon of the Pensions Committee and Mr D MacSween, Unison of the Pension Board.

### 2. **Declarations of Interest** **Foillseachaidhean Com-pàirt**

The undernoted non-financial interests were received in relation to the business at the meeting. Having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, the Members concluded that their interest did not preclude their involvement in the discussion.

Mrs C Caddick, Trustee Board Member of Johnston & Johnston UK Pension Plan; Mr A Jarvie, Director of High Life Highland and a Client of one of the company's referred to in the business of the meeting; and Mr B Thompson, Director of High Life Highland.

### 3. **2020 Actuarial Valuation Report** **Taisbeanadh Luachaidh Actuaraidh 2020**

There was circulated Report No. PC/1/21, the draft 2020 Actuarial Valuation Report by the Fund's actuary. Mr Robert Bilton of Hymans Robertson was in attendance and gave a presentation on the report.

Arising from the presentation, it was noted that even during a period of significant market volatility the Pension Fund was still covering its liabilities as at the end of March 2020 and the fund remained 100% funded which was a great achievement. The Fund's investments had recovered remarkably well since the Covid health crises and the work undertaken by Members/Officers of the Investment Sub Committee and the Fund's Investment Managers was commended.

Pay growth assumptions used in the triennial valuation were highlighted and it was noted that the average salary increases over the last 20 years were used in the assumptions. While there might be short term fluctuations in pay growth, assumptions used were historic long term assumptions.

Reference was made to the modelling used to inform what Employer contribution rates should be, with a 0.5% reduction in the Fund's weighted average contribution rate seen as a fair balance between affordability for employers and sufficient funding for the Fund.

The Committee **NOTED** the draft 2020 Actuarial Valuation Report by the Fund's actuary Hymans Robertson.

#### **4. Funding Strategy Statement Aithris Ro-innleachd Mhaoineachaidh**

There was circulated Report No. PC/2/21 by the Head of Corporate Finance and Commercialism which sought approval from Members on the proposed Funding Strategy Statement for the Highland Council Pension Fund.

Following a summary of the report during which the approach taken to dealing with uncertainty from Court cases that had a potential impact on the Pension Scheme was highlighted, the Committee **APPROVED** implementation of the Funding Strategy Statement with effect from 1 April 2021.

#### **5. Statement of Investment Principles Aithris air Prionnsapalan Tasgaidh**

There was circulated Report No. PC/3/21 by the Head of Corporate Finance and Commercialism which sought approval on the proposed Statement of Investment Principles for the Highland Council Pension Fund (HCPF).

The aim of the Statement of Investment Principles was to provide long term stability of the Pension Fund in the return that the Fund's assets were generating. This involved striking a balance between risk and return and taking account of the Fund's liability profile and level of funding. The Strategic benchmark set out how assets in the Fund were split into various categories of investment and there was a recommended change with a shift away from UK equities to Global equities.

During discussion, it was highlighted that the Fund remained 100% funded despite the triennial valuation date falling on a period of significant market turmoil and this was commended.

There was also a full discussion on investments and the policy around those investments and different views were expressed regarding what the ethical approach should be for investing. It was suggested that considerations such as the United Nations Sustainable Development goals and wider environmental, social and corporate governance should be taken into consideration and a number of Members made reference to lobbying received from local community pressure groups. It was also queried if the views of the Fund members had been sought. In particular, a view was expressed that consideration should be given as to whether the Fund should still invest in certain sectors that was not deemed ethical to invest in, such as armaments, and further information was sought and provided on the procedure to disinvest in specific companies. In addition, reference was made to the United Nations Convention on the Rights of the Child being incorporated into Scottish law and it was queried whether this complied with the investment principles. It was also suggested that the Investment Management Agreements for Investment Managers be reviewed to look at what was covered in them. In particular, the recent appointment of a Manager that was considerate of United Nations strategic development goals might be worth considering for all the Fund's investments.

However, it was highlighted that personal and community views had to be overridden by the legal responsibilities of Trustees, i.e. the Members, who had a fiduciary duty to the Pension Scheme beneficiaries to achieve the best financial position. In addition, it was also highlighted that increased employer contribution rates would have a financial impact on the Council's revenue budget. It was indicated that deciding ethical

balances on what types of investment should or should not be made was highly subjective and Trustees should not be prescriptive in terms of what companies/sectors should or should not be invested in. It was indicated that engagement was key to ESG not disinvestment. It was explained that shareholders had a responsibility to ensure that companies invested and acted in an ethical manner and this could only be achieved through engagement. Attention was drawn to the Engagement statistics which demonstrated the number of times Fund Managers voted against company proposals and advocated implementation of a vast range of positive changes. Caution was expressed in respect of disinvestment which resulted in transparency being lost as companies went into private ownership. It was advised that the Fund's Investment Managers had to be mindful of the Fund's environmental, social and corporate governance principles in their choice of investments and the opportunity to challenge Fund Managers on their ethical investments was welcomed. In addition, it was highlighted that the minutes of the Investment Sub-Committee demonstrated that ESG was strengthening within the Fund.

With a view to developing and publishing a Responsible Investing Policy Statement that was consistent with the Fund's fiduciary duty, a workshop was to be held for the Pensions Committee members during 2021.

A view was expressed that more emphasis should be placed on equity investments as historically it was known that the Fund could achieve greater returns rather than from fixed interest investments.

Thereafter, the Committee **APPROVED** the : -

- i. Statement of Investment Principles; and
- ii. Strategic benchmark, noting that there were no changes to the benchmark approved at Committee in February 2018 other than an increase to the active global equity allocation and decrease to the UK allocation.

## **6. Service Plan 2021/22 Plana Seirbheis 2021/22**

There was circulated Report No. PC/4/21 by the Head of Corporate Finance and Commercialism.

Key elements of the report were highlighted in relation to Pension Fund staffing structure and budget and the planned tasks for the Pensions Administration and the Investment and Governance teams. The outcome of Performance Indicator targets would be reported at the next Committee meeting.

Having heard the Chairman on behalf of the Committee, commend the work of the Pensions team, the Committee **APPROVED** the:-

- i. Pension Fund Service Plan 2021/22; and
- ii. Pension Fund staffing structure and budget for 2021/22.

**7. Draft Annual Audit Plan 2020/21 (External Audit Report)  
Plana Sgrùdaidh Bliadhnail 2020/21 (Aithisg Sgrùdaidh bhon Taobh A-muigh)**

There was circulated Report No. PC/5/21 by Grant Thornton which presented their draft annual audit plan setting out the work they planned to undertake as part of the audit of the pension fund.

In particular, it was highlighted that due to the global pandemic on price information and other market data, the Fund reported a material uncertainty in relation to the valuation of property investments totalling £180m. This was in line with RICS guidance and was common across local government pension schemes. The current guidance was that there would not be a material uncertainty in the current year.

As the audit plan arrangements were still being finalised, the external audit fee had yet to be determined. The audit fee would be included in the final audit plan.

The Committee **NOTED** the Draft Annual Audit Plan 2020/21 and that following completion of the audit planning arrangements, the Plan would be finalised and the final version distributed to the Committee/Board and Audit Scotland.

**8. Internal Audit  
In-Sgrùdadh**

**8a Highland Council Pension Fund Internal Report – Pension Fund Contributions  
Aithisg In-Sgrùdaidh**

There was circulated Report No. PC/6/21 by the Corporate Audit Manager.

The Chairman highlighted that the audit opinion of full assurance was very reassuring and commended the Pension teams for their work, professionalism and commitment.

The Committee **NOTED** the content of the report and that the audit opinion was of full assurance on the Pension Contributions review.

**8b Highland Council Pension Fund Internal Audit Annual Plan 2021/22  
Plana In-Sgrùdaidh Bliadhnail Maoin Peinnsein Chomhairle na Gàidhealtachd  
2021/22**

There was circulated Report No. PC/7/21 by the Corporate Audit Manager.

It was noted that the Council's Internal Audit team undertook the audit of the Pension Fund. This was a particularly busy team with limited staff resources and it was queried if consideration should be given to the Pension Fund engaging its own Internal Auditors. It was advised that there was a recharge from the Council to the Pension Fund. Therefore, if the Internal Audit team did not undertake this work they would lose this income. Further, assurance was provided that the audit work was not a significant commitment in terms of the time taken to undertake the audit of the Fund.

The Committee **APPROVED** the 2021/22 Audit Plan.

**9. Pension Fund Contributions and Administration**  
**Tabhartasan agus Rianachd Maoin Peinnsein**

There was circulated Report No. PC/8/21 by the Head of Corporate Finance and Commercialism.

In particular, it was confirmed that the Employer contribution rates had been agreed by all the Employers in the Fund.

The Committee **NOTED** the terms of the report.

**10. Risk Management Update**  
**Fios às Ùr mu Rianachd Chunnairt**

There was circulated Report No. PC/9/21 by the Head of Corporate Finance and Commercialism.

In terms of frequency of meetings, it was felt that two meetings a year of the Pension Committee was sufficient for the volume of business that was required to be considered particularly as the Highland Council had an Investment Sub Committee which met on quarterly basis. It was advised that other local authority Pension Committees which met quarterly did not have a separate Investment Sub Committee.

It was confirmed that there was ongoing training for Members of the Committee/Board and Officers on Pension Fund matters.

The Committee **NOTED** the updated risk register extract and compliance with the Pension Fund Regulator requirements.

**11. Investment Sub Committee: Minutes of Meeting**  
**Fo-chomataidh Tasgaidh: Geàrr-chunntas na Coinneimh**

The Minutes of meeting of the Investment Sub-Committee held on 25 September, 4 December 2020 and 5 February 2021 were circulated and **NOTED**.

The meeting ended at 12.50 p.m.