

The Highland Council

Minutes of Meeting of the **Economy and Infrastructure Committee** held Remotely on **Thursday, 4 February 2021** at **10.30 am**.

Present:

Mr R Balfour	Mr A MacInnes
Mr B Boyd	Mr W MacKay (am only)
Mr I Brown	Mr C Munro
Mrs C Caddick	Mr D Rixson
Mrs H Carmichael	Mrs T Robertson
Mr K Gowans	Mr P Saggars
Mr J Gray	Mr A Sinclair
Mr A Henderson	Ms N Sinclair
Mr D Louden	

Non-Members also present:

Mr G Adam (am only)	Mr B Lobban (am only)
Mrs J Barclay	Mrs A MacLean (pm only)
Mr A Baxter (am only)	Mr D Macpherson
Mr R Bremner	Mr J McGillivray
Mr M Finlayson	Mr H Morrison (pm only)
Mr J Gordon	Mrs M Paterson (am only)
Mr A Graham (am only)	Ms M Smith (am only)

Officials in Attendance:

Mr M MacLeod, Executive Chief Officer - Infrastructure & Environment
Mrs K Lackie - Executive Chief Officer – Performance and Governance
Ms T Urry, Head of Roads and Transport
Mr M Mitchell, Service Finance Manager
Mr A Maguire, Head of Development and Regeneration
Mrs A Mackay, Business Manager
Mr A McCann, Economy and Regeneration Manager
Mr F McGunnigle, City-Region Deal Programme Manager
Mr K Forbes, Property Manager (Estates)
Mr J McHardy, Housing Development Manager
Mr J MacLennan, Senior Service Support Officer
Mr A Fraser Principal Engineer – Flood Team
Mr R Pope, Policy and Programmes Manager
Miss J MacLennan, Principal Administrator
Ms F MacBain, Committee Administrator
Ms O Bayon, Committee Administrator

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

Mrs T Robertson in the Chair

Business

1. Apologies for Absence Leisgeulan

An apology for absence was intimated on behalf of Mr D MacLeod.

2. Declarations of Interest Foillseachaidhean Com-pàirt

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

Item 4 - Mr K Gowans (financial)

Item 8 - Mr A Baxter, Mr A Henderson and Ms M Smith (all financial)

Item 10 - Mr D Rixson and Mrs H Carmichael (both non-financial) and Mr K Gowans (financial)

Item 16 - Mr D Rixson and Mrs T Robertson (both non-financial)

Item 17 - Mr D Rixson, Mrs T Robertson and Mr Saggars (all non-financial)

3. Good News Naidheachdan Matha

The Chair informed Members of a list of good news and outstanding achievements, which was **NOTED** by the Committee.

4. Development and Infrastructure Service Revenue Budget – Monitoring Sgrùdadh Buidseat Teachd-a-steach Seirbheis an Leasachaidh is a' Bhun- structair

Declarations of Interest- Mr K Gowans declared a financial interest in this item as an employee of UHI 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 Report No. ECI/01/2021 dated 19 January 2021 by the Executive Chief Officer Infrastructure and Environment.

During discussion, Members raised the following issues:-

- officials were thanked for their work and it was suggested that income targets were being missed due to drops in activities, mostly related to Covid-19 but also to Brexit;
- the importance of Harbours activity and income to the Council was emphasised;
- information was sought, and provided, on the additional expenditure anticipated during the remaining months of the financial year;
- it was important the Council's internal accounting systems were kept as up to date and accurate as possible to allow managers to manage their budgets effectively; and
- clarification was sought, and provided, that in-year underspends would be used to offset overspends in other areas. Revenue budget underspends could not be carried forward to the following year, unless related to specific grant funding that allowed this. Overall a significant overspend was anticipated due to low income.

The Committee **NOTED**:-

- i. the more detailed reporting of gross income and gross expenditure to improve scrutiny of net budgets as set out in the Appendices;
- ii. the Revenue Monitoring position for the period to 31 December 2020;
- iii. net spend at the end of quarter 3, totaled £22.716m;
- iv. based on the best available information to date, a service budget gap of £8.941m is forecast to end 2020/21;
- v. many areas of the Service rely on income to pay for services and this was significantly disrupted this year because of COVID-19 impacts and the impact of BREXIT in particular to harbours income. A loss of income is the key driver of the Service's budget gap;
- vi. the budget gap may change positively or negatively depending on: applying expenditure and recruitment controls, aligning services to meet budget savings agreed; income recovery in 2020/21; and
- vii. further adjustments will be made in future quarterly reporting to reflect the updated apportionment of costs and savings across the new structure.

5. Economic Recovery Update Cunntas as Ùr mu Fheabhas Eaconamach

There had been circulated Report No. ECI/2/21 dated 17 January 2021 by the Executive Chief Officer Infrastructure and Environment.

During discussion, Members raised the following issues:-

- three key issues affecting the economy were Covid-19, Brexit and Climate Change. A brief summary of the various funding sources likely to be lost as a result of Brexit, totally around £90m, was provided;
- information was sought on the possible use of redundant Council buildings to assist new or expanding businesses, which might also generate income for the Council. It was explained that while there were few vacant buildings, the use of Council-owned land for grant-funded business starter units was a useful idea to take forward;
- the place-based strategy was welcomed; and
- consideration should be given to the inclusion of aquaculture, including fish farming and seaweed cultivation, given its importance to many local economies, especially on the west coast. Reference was also made to some of the negative aspects of fish farming. This would be further considered with Highlands and Islands Enterprise.

The Committee **NOTED** the progress being made on the Council's Economic Recovery Strategy and the points raised in discussion.

6. Highland Labour Market Dùbhlain Margaidh Obrach na Gàidhealtachd

There had been circulated Report No. ECI/3/21 dated 17 January 2021 by Executive Chief Officer, Infrastructure and Environment.

During discussion, Members raised the following issues:-

- the increased level of unemployment was of concern and it would have been useful to have the previous year's figures for comparison, and to know to what extent the rise was seasonal;

- officials were thanked for the report and the opportunities being offered to young people during challenging circumstances;
- it was important the Council was not duplicating work being done by other organisations and a summary was provided of joint working being undertaken to avoid this happening, as part of the 'Leaving No one Behind' agenda;
- the demographics of the Highlands were especially challenging in relation to retaining young people;
- appreciation was expressed for Job Centre staff who had experienced an increased and changed workload as a result of Covid-19;
- the increase in Universal Credit was welcomed and consideration should be given to lobbying the UK government for this increase to continue in the longer term;
- work was ongoing with Scottish Government over grant carry-over and pulldown across the 2021/22 financial year;
- in response to concern that young people were being given Kickstart placements for only six months, it was explained if placements were longer, fewer young people would be able to benefit from the scheme, and that around 75% progressed to paid employment; and
- information was sought, and provided, on the ongoing role of gateway organisations in the Kickstart programme, especially in Highland where there were a larger number of smaller organisations.

The Committee:-

- NOTED** the labour market challenges facing the Highland economy and in particular the impact this will have on young people;
- AGREED** that The Highland Council adopts a pro-active and leadership role with partners through the Highland Employability Partnership, to ensure clients receive a cross agency service that is responsive to their needs and enables them to progress towards and into employment;
- AGREED** that The Highland Council as an employer and service provider, provides the proposed work experience and job creation opportunities and, through its management of external funding, enables others to also do so; and
- NOTED** that the proposed staffing changes to ensure that The Highland Council has capacity to effectively undertake its employability function during this challenging time are being taken forward following agreement at the Council meeting on 7 January 2021.

7. Covid related pressures and service prioritisation Cuideaman a' buntainn ri Covid agus a' toirt prìomhachas do sheirbheisean

There had been circulated Report No. ECI/4/21 dated 22 January 2021 by the Executive Chief Officer Infrastructure and Environment.

During discussion, Members raised the following issues:-

- the progress of capital projects, with particular reference to the Tain 3-18 Campus, was queried. Information was sought, and provided, on the situation with funding for some programmes if there were delays. Some construction work was being slowed down due to social distancing and similar Health and Safety requirements;
- Members acknowledged the difficult circumstances being faced by many staff due to Covid-19 restrictions, risks and secondments; and

- the candour in the report was welcomed and it was hoped the recovery process would lead to fairer and greener practices in future.

The Committee **NOTED**:-

- i. the additional Covid-related services being delivered by the Service;
- ii. the pressures that this puts on service delivery;
- iii. the 4 harms posed to our staff and our customers as a consequence; and
- iv. the effect on services in a number of areas as set out in Section 5.

8. Business Grants – Discretionary Grant Scheme Tabhartasan Gnothachais – Sgeama Thabhartasan fo Ùghdarras

Declarations of Interest:

Mr A Baxter declared a financial interest in this item as Tour Guide and left the meeting during discussion.

Mr A Henderson and Ms M Smith declared financial interests in this item as an owner of a B & B Establishment and of a Trading Company respectively 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 discussion.

There had been circulated Report No. ECI/5/21 dated 21 January 2021 by the Executive Chief Officer Infrastructure and Environment.

During discussion, Members raised the following issues:-

- a level of discretion or flexibility in the amount of money awarded was suggested, rather than having a fixed sum of £2,000, with attention drawn to some sectors which had been more adversely affected than others. It was proposed this could either be delegated to the ECO (Infrastructure & Environment) in consultation with the Committee Chair and Vice Chair, or to a Working Group. Attention was drawn to the need to balance speed of decision-making and award of grants with the ability to make individual decisions on awards, with the proposals having been based on the Government's Strategic Business practice;
- the challenges of designing a scheme that captured every type of affected business was highlighted;
- discretion on the amount of reduction in business an organisation had to have experienced was also proposed;
- with reference to the scheme being available for companies with up to 50 employees, it was proposed this should be lowered to only benefit smaller businesses. However, it was explained out that most companies with a significant number of employees would have premises and would therefore be ineligible for this grant, and the scheme criteria followed national guidance;
- it was suggested there should be flexibility on the sales period on which a company was assessed for loss of business, given that many small Highland companies were seasonal and might have little to no winter income but might have lost considerably during summer 2020;

- Members welcomed the decision not to insist on companies having a business bank account, and supported the largest number as possible of small businesses being supported;
- the lack of cruise ships at Invergordon had affected associated small businesses across the Highlands;
- it was suggested that any leftover funds could be redistributed as a 'top-up' to eligible businesses as part of Phase 2; and
- a further suggestion was that priority for Phase 2 should be given to businesses which had suffered 100% loss of income.

Mrs T Robertson, seconded by Mr D Rixson, **MOVED** the recommendations as detailed in the report.

Mr D Louden, seconded by Mr K Gowans, moved as an **AMENDMENT** to:

(1) set up a working group to consider changes to the initial scope of the grant scheme with representation from all political groups; and (2) allow discretion for awards to be varied at the direction of officers and the working group to add to the £2,000 amount with a second round amount.

On a vote being taken, the **MOTION** received 11 votes and the **AMENDMENT** received 5 votes, with no abstentions, and the **MOTION** was therefore **CARRIED**, the votes having been cast as follows:-

For the Motion

Mr R Balfour, Mrs C Caddick, Mrs H Carmichael, Mr J Gray, Mr A Henderson, Mr C Munro, Mr D Rixson, Mrs T Robertson, Mr P Saggars, Mr A Sinclair and Ms N Sinclair.

For the Amendment

Mr B Boyd, Mr I Brown, Mr K Gowans, Mr D Louden and Mr A MacInnes.

Decision

The Committee **AGREED** to the proposed Discretionary Grant Scheme and that delegated decision making be given to the Executive Chief Officer – Infrastructure and Environment, in consultation with the Chair and Vice Chair of the Economy and Infrastructure Committee to make any grant criteria changes required in light of other national grant schemes and to design and deliver a second phase grant scheme, if not all of the grant was utilised.

9. Roads Capital Spend Cosg Calpa Rathaidean

There had been circulated Report No. ECI/6/21 dated 11 January 2021 by the Executive Chief Officer Infrastructure and Environment.

During discussion, Members raised the following issues:-

- while welcoming the investment, Members emphasised the importance of progressing improvements as soon possible once the current Covid 19 restrictions permitted;

- the inclusion of the Portree Link Road in the report as a strategic project was highlighted. Although being short in length, this would have a significant impact and would be transformative;
- cognisance was needed for the improvements to smaller road projects which would have a major impact on the communities they served. For example, the road running north to south on Raasay was undoubtedly strategic in nature. Similarly, other single track roads road serving areas of low population but carrying high volumes of traffic in the tourist season would benefit greatly given the anticipated costly arrangements and difficult topography involved; and
- there needed to be an element of fairness with all Area Road Managers being involved to monitor where and where investment was being allocated.

Thereafter, the Committee:-

- AGREED** to continue with the current distribution method for the £7.2M base allocation for road maintenance as detailed in section 6.1 of the report; and
- APPROVED** the distribution of the additional £20M for road maintenance as detailed in the report, subject to future reports coming to this Committee and Local Committees on the detail of the spend.

10. Inverness and Highland City Region Deal Update

Cunntas às Ùr mu Chùmhnant Baile Roinne Inbhir Nis agus na Gàidhealtachd

Declarations of Interest:

Mr D Rixson and Mr K Gowans declared non-financial interest in this item as the Council's representative to Lochaber Housing Association and as an employee of UHI respectively but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that their interest did not preclude their involvement in discussion.

There had been circulated Report No. ECI/7/21 dated 13 January 2021 by the Executive Chief Officer Infrastructure and Environment.

During discussion, Members raised the following issues:-

- Members commended to comprehensive report but expressed concern over the continued delay of the R100 digital roll out and alternatives to Broadband were being considered. Members sought, and were provided, detail of these alternatives;
- Members were also aware of difficulties with the Longman Remediation project and it might be prudent to have a list of possible alternative proposals to ensure funding was used within the timescale available;
- an update to Members on Adventure Tourism project was requested;
- little of the funding for the Technology Placement had been used and it was recognised that this was because demand was low. Given the importance of youth employment it would be useful for Members to be aware of measures were being taken to ameliorate this; and
- Councillor Saggars sought clarification about the status if the Fit Homes in Nairn.

Thereafter, the Committee:-

- i. **NOTED** progress with the City Region Deal during the last Quarter; and
- ii. **AGREED** the Annual Report 2019/20 attached at Appendix 2 of the report.

11. Flooding Update Cunntas às Ùr mu Thuiltean

There had been circulated Report No. ECI/8/21 dated 6 January 2021 by the Executive Chief Officer Infrastructure and Environment.

In amplification of the report a brief presentation by the Principal Engineer (Infrastructure) was provided giving an overview of the SEPA National flood risk assessment and the consultation process for delivering a plan-led, risk-based approach to Flood Risk Management Strategies in Scotland. He stressed the importance of working collaboratively with all responsible authorities along with public consultation to assess and agree a plan of actions to reduce the risk of flooding in the most vulnerable areas in their Local Plan District (LPD). Members were informed that the SEPA consultation process would be postponed until June 2021.

Members welcomed the report and the studies which had been undertaken to help and protect local communities, who had experienced flooding and the impact of climate change. There was also a Member's query regarding the average annual damages column in the detailed flood risk management plans. In response it was confirmed that the figure was developed to represent the cost of annual damage due to a flood in a geographical area. Every flood prevention action identified and undertaken would reduce the cost of damage, but not remove the value altogether.

Thereafter, the Committee:-

- i. **NOTED** work undertaken to date in partnership with SEPA to allow SEPA to publish draft Flood Risk Management Strategy information for joint consultation;
- ii. **AGREED** to the publication of the potential Actions for the Local Flood Risk Management Plan for Highland and Argyll Local Plan District and the Local Flood Risk Management Plan for Findhorn, Nairn and Speyside Local Plan District in June 2021 (or as otherwise directed by Scottish Government), as shown in Appendix 1; and
- iii. **NOTED** a further report on the final Flood Risk Management Strategies and Plans would be brought to committee, after the public consultation closes.

12. Road Construction Consent Charges – Outcomes from Legal Challenge Cìsean Aonta Togail Rathaidean – Toraidhean bho Dhùbhlan Laghail

There had been circulated Report No. ECI/9/21 dated 12 January 2021 by the Executive Chief Officer Infrastructure and Environment.

Thereafter, the Committee:-

- i. **APPROVED** the proposed revised scale of fees for Road Construction Consents, which in accordance with the original report of 16 August 2018

(Appendix 1 of the report) would be applied retrospectively from 1 April 2017; and

- ii. **NOTED** that Highland Council's previous fees were subject to a legal challenge and the revised fee structure was a response to this challenge.

13. Minutes **Geàrr-chunntas**

There had been circulated Minutes of Meetings as follows:-

- i. South Planning Applications Committee held on 9 October 2020 and 3 November 2020 – **NOTED**;
- ii. North Planning Applications Committee held on 20 October 2020 – **NOTED**; and
- iii. City Region Deal Monitoring Group held on 17 November 2020 and 21 January 2021– **APPROVED**;

14. Exclusion of the Public **Às-dùnadh a' Phobail**

The Committee **AGREED** to resolve that, under Section 50A(4) of the Local Government (Scotland) Act 1973, the public be excluded from the meeting for the following item on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 9 of Part 1 of Schedule 7A of the Act.

15. Property Transactions Monitoring Report **Aithisg Sgrùdaidh Ghnothachasan Seilbhe**

There had been circulated to Members only Report No. ECI/10/2021 dated 8 January 2021 by the Executive Chief Officer Infrastructure and Environment.

Following discussion, the Committee **NOTED** the monitoring statements for General Fund and Property Account transactions as approved by the Head of Development and Regeneration under delegated authority as well as the Budgeted Sales for 2020/2021 and beyond.

16. Land and Property **Fearann agus Cuid-seilbh**

Declaration of Interest:

Mrs T Robertson declared a non-financial interest in this item as an adviser to the Board of the Elsie Normington Foundation but having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that her interest did not preclude her from taking part in the discussion.

Mr D Rixson declared a non- financial interest in this item as the Council's representative to Lochaber Housing Association having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, would not take part in discussion.

There had been circulated to Members only Report No. ECI/11/2021 dated 16 January 2021 by the Executive Chief Officer Infrastructure and Environment.

Following discussion, the Committee **NOTED** the recommendations as detailed in the report.

17. Housing Development Initiatives Iomairtean Leasachaidh Taigheadais

Declarations of Interest:

The following declared non-financial interests in this item 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 discussion:-

- **Mr D Rixson - as the Council's representative to Lochaber Housing Association**
- **Mrs T Robertson - as a Council appointee to the Highland Housing Association**
- **Mr P Sagers - as a Director of Nairn CAB**

There had been circulated to Members only Report No. ECI/12/2021 dated 25 January 2021 by the Executive Chief Officer Infrastructure and Environment.

Following discussion, the Committee **NOTED** the recommendations as detailed in the report.

The meeting ended at 2:00 pm.