

The Highland Council

Minutes of Meeting of the **Economy and Infrastructure Committee** held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on Thursday, 14 November 2024 at 10.30 am.

Present:

Mr M Baird	Mr D Macpherson (Remote)
Mr I Brown	Mr H Morrison (Remote)
Mr J Bruce	Ms L Niven Remote
Mr M Cameron	Mr P Oldham
Mr A Christie (substitute)	Mrs T Robertson
Mr K Gowans	Mrs M Ross (substitute) (Remote)
Mr M Green	Ms M Smith
Mr R Jones	Ms K Willis
Mr P Logue	

Non-Members also present:

Mr S Coghill (Remote)	Ms L Kraft (Remote)
Mr J Finlayson (Remote)	Mr R MacKintosh
Dr M Gregson	Mr T MacLennan (Remote)
Ms M Hutchison (Remote)	Mr D Millar
Ms E Knox (Remote)	Mr C Munro (Remote)

Officials in Attendance:

Mr M MacLeod, Assistant Chief Executive – Place
Ms S McKandie, Chief Officer - Revenues & Commercialisation
Ms N Wallace, Service Lead-Environment Dev Active Travel
Mr K Forbes, Property Manager, Estates Management
Ms C Maxwell, Service Finance Manager
Mr M Bailey, Programme Manager (City Region Deal)
Mr A Tyron, Principal Engineer (Structures)
Mr D Chisholm, Tourism and Inward Investment Team Leader
Mr A Puls, Environment Team Leader
Miss J MacLennan, Joint Democratic Services Manager, Performance & Governance
Mrs O Marsh, Committee Officer, Performance & Governance

Also in attendance:

Mr G Moir, CEO, Cairngorm National Park.
Mr G Miles, Head of Strategic Planning, Cairngorm National Park.

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

Mr K Gowans in the Chair

Business

**1. Calling of the Roll and Apologies for Absence
Gairm a' Chlàir agus Leisgeulan**

Apologies for absence were intimated on behalf of Mr J Edmondson, Mr W MacKay and Mr R Stewart.

**2. Declarations of Interest/Transparency Statement
Foillseachaidhean Com-pàirt/Aithris Fhollaiseachd**

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

Item 7 – Mr M Green, Mr H Morrison and Mrs T Robertson

The Committee also **NOTED** the following Transparency Statement:-

Item 6 – Mr M Green and Mr H Morrison

Item 7 – Mr K Gowans

**3. Good News
Naidheachdan Matha**

The Committee **NOTED** the following items of Good News:-

Caol Flood Scheme

Having been entered by RJ Macleod for a CECA Award, the Caol Flood Scheme won the Resilient Communities Category.

Naver Bridge

The Naver Bridge replacement project was proceeding at pace with work starting within the river to enable installation of the new piled bridge foundations.

Graduate Engineer

On 4 October 2024, Highland Council Graduate Engineer Ewan Gordon graduated from the UHI Inverness with a first-class BEng (Hons) in Civil Engineering. Ewan was also awarded the Institution of Civil Engineers (ICE) Certificate of Merit for best performing graduate. Ewan, from Helmsdale, joined the Highland Council as a trainee technician in 2017, and now works in the Council's Project Design Unit.

Islands Programme Funding – Skye Project Success

The Council had been awarded £760k from the Scottish Government's Islands Programme for two projects on Skye. The £3m Islands Programme was highly competitive, with the Scottish Government receiving applications totalling £6m. £350k has been awarded to the Council to undertake community and public access improvements at three key locations:-

- Claigan Road – Extending the length of existing passing places and provision of new passing places at a cost of £150k. This would complement the £130k allocation in the 2024/25 Roads Maintenance Programme.
- Neist Point – Extending the length of existing passing places and provision of new passing places.
- Glen Brittle – Extending the length of existing passing places and provision of new passing places at a cost £150k. This would complement the £240k allocation in the 24/25 Roads Maintenance Programme.

The Council would also manage a £410k grant to Staffin Community Trust to support the ongoing major redevelopment of Staffin Harbour. The Council had successfully managed a number of funding awards over the years for this important community led regeneration project.

Local Place Plans in Highland

Following six recent validations, there were now eight registered Local Place Plans in Highland and congratulations were expressed to the communities for their efforts in preparing these community-led plans:-

- Black Isle Local Place Plan
- Broadford and Strath Local Place Plan
- Duror and Kentallen Local Place Plan
- Garve and District Local Place Plan
- Lochalsh Local Place Plan
- Torridon and Kinlochewe Local Place Plan

There were also 38 Local Place Plans in progress.

4. Presentation – Cairngorm 2030 Taisbeanadh – Am Monadh Ruadh 2030

Mr Grant Moir, Cairngorm National Park gave a presentation on the Cairngorms National Park. The Park, across 20 long-term projects, wanted to achieve their vision that by 2030 the Cairngorms National Park would be an exemplar of people and nature thriving together in a rapidly changing world. The presentation included projects such as transforming landscapes, empowering communities, rethinking how we travel and Championing Wellbeing.

During discussion, Members raised the following main points:-

- thanks were expressed for the presentation;
- further details were requested regarding the Outdoor Dementia Centre and the Nature Prescription, and whether there was a planned rollout for wider Highland access;
- it was queried when the citizens assemblies or citizens jury would be involved in decision making or recommendations;

- it was felt that litter disposal was a major focus to educate the public to do so responsibly. In this regard it was queried if there were any plans to tackle this and plans on how to benchmark performance against Loch Lomond in terms of the key objectives; and
- thanks were expressed to staff for their hard work as the roadshows had been successful and well attended. In addition, it was queried how underrepresented groups were intended to be contacted and engaged with.

The Committee **NOTED** the presentation.

**5. Quarterly Revenue and Performance Monitoring Report Quarter 2
2024/25
Aithisg Ràitheil Teachd-a-steach agus Sgrùdadh Coileanadh Ràith 2
2024/25**

There had been circulated Report No. ECI/44/2024 by the Assistant Chief Executive - Place.

During discussion, Members raised the following main points:-

- thanks were expressed for a very honest report;
- commendation was expressed for the continued service provision of the Corran crossing and for the hard-working staff despite the many challenges and costs that had been incurred on the ferry project. It was hoped that there would be an electric ferry provision in the near future;
- disappointment was expressed regarding the overspent budgets but it was felt that these would improve over time;
- concern was expressed regarding the Map Highland Carbon Resources process as there had been a forecasted overspend of the Climate Change Team. It was therefore queried how progress would be made as no significant progress had been made since 2023 Q4 with none predicted;
- concern was raised regarding vacancies not being filled which would result in high workloads for exiting staff and could lead to stress and sickness. Vacancies should not be targeted for savings;
- it was queried if Capital budget could be allocated to some of the refit works to offset the Corran Ferry forecasted overspend and assurance was sought that once works were completed that would be the end of the recent serious issues;
- it was queried if the Council had checked that the Corran Ferry would be included in the Scottish Government capital budget in view of the additional funds received through the Barnett Formula most recently referred to in the Chancellor's budget;
- reassurance was sought, and provided, regarding the Council's strategies to combat the overspend on Harbours and Ferries highlighted at paragraph 5.3.6 in the report;
- regarding Appendix 1, it was queried if the staff costs underspend of £1.875m included recruitment cost reductions or if these additional savings would be included in the underspend by the end of the financial

year. In this regard, it was also queried what strategic aims would be at risk as a result of any recruitment actions being taken and if further scrutiny loss calculations should be undertaken due to the Project Design Unit understaffing issues;

- regarding paragraph 5.3 of the report, the underspend of £71k for Planning, Environment and Building Standards, it was queried if these funds could be used for the Environmental and Planning Enforcement service as there were only 1 or 2 enforcement officers dealing with breaches and more were needed;
- it was surprising that car parks were reporting an overspend as it had been anticipated they would produce revenue income. In this regard it was felt that the car parking team required additional staff to ensure income generation;
- regarding the Rose Street car park loss of parking, information was sought regarding the long term plan for the car park and whether there were contingencies in place should it structural fail in the future. In this vein, it was queried if the Rose Street car park received funds from the Inverness Common Good Fund;
- as the Common Good Fund in Fort William received 50% of the parking income, it was expressed that, had this previously been known, the structured targeting might have been carried out differently; and
- an update was provided regarding Marine Fuel Sales. It was felt that whilst targets had been overambitious, overall the Service was performing well despite some regular vessel customers relocating north to Orkney as fish migrated there due to climate change.

The Committee **NOTED**:-

- i. the Service's revenue monitoring position; and
- ii. the Service's performance and risk information.

6. Sustainable Tourism Strategy 2024-2030 Ro-innleachd Turasachd Sheasmhach 2024-2030

Transparency Statements: The following declared a connection to this item but, having applied the objective test, did not consider that they had an interest to declare:-

**Mr M Green - as an owner of a Holiday Let
Mr H Morrison – as an owner of a hotel**

There had been circulated Report No. ECI/45/24 by the Assistant Chief Executive - Place.

During discussion, Members raised the following main points:-

- thanks were expressed to officers for their hard work in producing the Tourism Strategy and Member workshops;
- information was sought regarding a timeline for development of actions and delivery of the strategy. In this regard, it was highlighted that the

Lochaber area was typically overwhelmed with tourists during events and the summer season and that consideration should be given to the Ben Nevis Visitor Centre within the delivery plan;

- it was queried what the impact would be of withdrawing funding from Destination Management Organisations in the strategy, given the positive effect they had provided so far;
- the report should be a live and fluid document as several additional subjects for inclusion had been identified by Members such as; encouraging motorhomes into campsites, sustainable practices, a link up with the Transportation Service from the airport to Inverness, electric charging connections for cruise ships and recycling waste materials from cruise ships. It was felt that greener solutions should be investigated further;
- it was confirmed that the Scottish Government were beginning to consult on a future cruise ship and campervan levies;
- regarding page 26 of the report, it was queried if the statement that renewable energy developments across Highland were having a negative impact on the visitor economy was evidence or perception based;
- it was queried if train travel formed part of the sustainable travel network plan as they had posed a real challenge to transport goods such as bicycles. In this regard it was requested that trains be included within the strategy;
- concern was raised that the 140 online responses could either be a display of apathy towards the strategy or indicate most were happy;
- it was queried how the strategic documents had taken into account the concern that there was insufficient detail on how the Council would achieve the delivery plan;
- it was queried what benchmarks, targets or evaluations there would be for the delivery plan and when the Committee would be updated and agree that they were suitable measures. In this regard it was confirmed that Members would see the strategic delivery plan before it was implemented; and
- the honesty, directness and case study analysis within the report was welcomed. However, it was felt that that the weaknesses were the small number of people who had taken part in the exercise and therefore robust engagement within the tourist industry needed to be undertaken.

The Committee:-

- i. **NOTED** the summary of responses to the consultation as set out in Appendix 2 of the report and the key changes which had been made following the consultation as outlined in section 6 of the report;
- ii. **AGREED** to adopt the sustainable tourism strategy as set out in Appendix 1 of the report;
- iii. **AGREED** to the next steps set out in Section 8 of the report, which included the preparation of an associated delivery programme; and
- iv. **AGREED** that the Tourism Strategy be amended to accommodate consultation feedback on the visitor levy scheme as proposed in Item 7 and that a further report on any changes be reported to a future meeting of this Committee.

**7. Proposal to Consult on the Introduction of a Visitor Levy Scheme
Moladh Co-chomhairleachadh a Chumail mu Bhith a' Toirt A-steach
Sgeama Cìs Luchd-tadhail**

Declarations of Interest – the undernoted Members made Declarations of Interest in this item and, in accordance with paragraph 5.6 of the revised Code of Conduct, they left the meeting for this item:-

Mr M Green – as an owner of a Holiday Let

Mr H Morriosn – as he runs a hotel

Mrs T Robertson – as an owner of a property used for short term lets

Transparency Statement – Mr K Gowans declared a connection to this item as a close family member was employed with the Council in relation to the Tourism Levy Scheme but, having applied the objective test, did not consider that he had an interest to declare.

There had been circulated joint Report No. ECI/46/24 by the Assistant Chief Executive – Place and Assistant Chief Executive – Corporate.

During discussion, Members raised the following main points:-

- it was important that consultation be engaging and as inviting as possible to encourage participation with an appropriate amount of time be set aside for the process to get it right. In this regard, it was felt that the questionnaire must include a free text box after each question to gather additional subjective information, rather than prescriptive tick box options. It was also suggested that the questions be numbered within the consultation for easier referencing;
- it was accepted that the consultation process was a huge exercise with complexities. Concern was raised that it did not confirm how the levy would be collected. In addition, the costs involved in implementing the scheme were not included in the consultation and clarification was needed regarding the application of VAT and any implications that this would have for businesses;
- it was felt that responses to the consultation should number into the hundreds to be considered a representative consultation;
- suggestion was made to further review and shape the consultation paper to ensure its success as the current layout was felt to contain weaknesses and challenges which might prevent people wanting to be involved in this exercise;
- it was confirmed that the posed questions were in line with the Scottish Government's guidelines and it was impossible for Council to estimate how many, or what type, of response would be received. It had been anticipated that there would have been more than 140 responses;
- it was queried if the visitor levy revenue collected locally would be reinvested locally. In this regard it was confirmed that this type of decision would be included within the consultation exercise;
- information was sought as to what targeted action could be taken to reach any particular area or group who had not responded to the questionnaire;

- concern was raised that only accommodation businesses were being focussed on, whereas visitors in motorhomes or campervans might circumvent the visitor levy but would still use many Highland resources;
- it was felt that clarification be sent out to businesses on VAT thresholds and visitor levy before the consultation process was undertaken; and
- a suggestion was made that an additional question be added to the questionnaire to ask that, in the event that VAT was applicable to the visitor levy and this added to a business's turnover, would they close down their business earlier to remain below the VAT threshold. In this regard it was confirmed that HMRC might increase the VAT threshold and much of this information would be captured in the consultation.

The Committee:-

- NOTED** the summary Impact Assessments as set out in Appendix 1 of the report;
- AGREED** the outline of the proposed Visitor Levy Scheme as set out in Appendix 2 of the report;
- AGREED** to consult for a 12-week period commencing on Friday 15 November 2024 and closing on Friday 7 February 2025;
- NOTED** that following the consultation a report would be considered at a future meeting of the Highland Council which would set out the findings of the consultation and invite Members to decide whether to implement a Visitor Levy Scheme; and
- AGREED** to include a free text box at each question within the consultation paper to gather additional information.

8. Capital Monitoring – Q2 2024/25 Sgrùdadh Calpa – R2 2024/25

There had been circulated Report No. ECI/47/2024 by the Assistant Chief Executive - Place.

The Committee **NOTED** the financial position as of 30 September 2024 and the estimated year end forecast.

9. Inverness & Highland City Region Deal – 2023/24 Annual Report Cùmhnant Baile Roinne Inbhir Nis & na Gàidhealtachd – Aithisg Bhliadhnail 2023/24

There had been circulated Report No. ECI/48/24 by the Assistant Chief Executive - Place.

During discussion, Members raised the following main points:-

- the Made Road Orders and Compulsory Purchase Orders for the A9/A96 Inshes to Smithton project, made on 14 May, had come into force on 20 June 2024 and an indication was sought as to when this project might take place; and

- the funding redirected to the Corran Ferry Vessel Replacement from the A9/A82 Longman Junction project was welcomed and it was hoped an announcement from the Scottish Government about the possibility of an electric vessel would be forthcoming before the end of the year.

The Committee **APPROVED** the IHCRD Annual Report as a record of the activity and delivery during 2023/24.

10. Rural Housing Planning Policy Explanatory Note Nota Mineachaidh Poileasaidh Dealbhaidh Taigheadais Dùthchail

There had been circulated Report No. ECI/49/24 by the Assistant Chief Executive - Place.

During discussion, Members raised the following main points:-

- this provided an opportunity to re-interpret parts of the National Planning Framework 4 (NPF4) and to ease planning considerations in rural areas to help support the rural economy;
- the Planning Review Body had seen numerous appeals against refused applications in rural areas and it was hoped this would clarify what was acceptable in the highland landscape, thus assisting both officers and applicants;
- it was hoped there would be further training for Members and information for Community Councils and communities so they had a greater understanding of this policy;
- 20-minute neighbourhoods was not necessarily practical in rural areas;
- pressure needed to be put on the Council's partners to provide access to services, such as GP practices, in rural area; and
- the aim was to develop sustainable communities as well as housing.

The Committee:-

- i. **AGREED** the Rural Housing Supplementary Guidance – Explanatory Note contained in Appendix 2 of the report; and
- ii. **NOTED** that, from the point of approval by Committee, this Explanatory Note would inform all planning advice and decisions.

11. Roads Structures Annual Report Aithisg Bhliadhnail Structaran Rathaid

There had been circulated Report No. ECI/50/24 by the Assistant Chief Executive - Place.

During discussion, Members raised the following main points:-

- the number of bridges needing repair was acknowledged but the budget allocated to meet the necessary repairs over the next 5-6 years was queried;

- it was also queried when the major bridge schemes described in the report would take place and what the associated timelines were;
- information was sought, and provided, as to the repair and maintenance schedules for Bonar Bridge, Clava Bridge, the Waterloo Bridge and the bridge over the River Averon in Alness; and
- the timescales for the maintenance and/or repair of the Infirmary Bridge, Inverness was sought as the report provided two different dates. The schedule had slipped but repairs were now programmed for 2025. Current estimates were that these repairs would cost £535k with a replacement costing in the region of £1.2m. It was queried if spending £535k was the best use of resources and that investment should alternatively be made to its replacement. However, as the Chair pointed out that its replacement was not in the Council's Capital Programme.

The Committee **NOTED**:-

- i. the current position in Highland in relation to the number of structures inspections undertaken (as detailed in section 6.2 of the report);
- ii. the position of the Bridge Stock Condition Indicators in Highland (as detailed in section 7 of the report); and
- iii. the risks that were carried by the Council in relation to its road structures (as detailed in section 3.3 of the report).

12. Highland Local Development Plan – Evidence Gathering Plana Leasachaidh Ionadail na Gàidhealtachd – Cruinneachadh Fianais

There had been circulated Report No. ECI/51/24 by the Assistant Chief Executive - Place.

This had been a major piece of work and the evidence pack was comprehensive and well-considered. However, in relation to the "Our Coastline" section, consideration needed to be given to how the Plan would address issues arising from where planning permissions had been granted for building but which were too close to the coastline and where there was a now a flooding danger.

The Committee:-

- i. **AGREED** the draft evidence pack in Appendix 2 of the report, and **AGREED** for these to be issued for public consultation, noting that further work was required to gather relevant evidence for each theme and area;
- ii. **AGREED** to delegate approval of the final evidence packs to the Assistant Chief Executive – Place, in consultation with the Chair and Vice-Chair of the Economy & Infrastructure Committee prior to public consultation;
- iii. **AGREED** the next steps for public consultation outlined in Section 7 of the report and **NOTED** the updated timescales for preparation of the LDP;
- iv. **AGREED** for the Call for Sites template to be issued for consultation as soon as practicable after Committee;
- v. **AGREED** for a revised Development Plan Scheme to be prepared and published in early 2025 that reflects on the SG requirements for LDP

- engagement, and the timescales and next steps outlined in Section 7 of the report; and
- vi. **NOTED** the important role that communities were playing in shaping this evidence and the additional time that had been provided for this purpose.

13. Ecology Strategy and Action Plan Ro-innleachd agus Plana-gnìomha Eag-eòlais

There had been circulated Report No. ECI/52/24 by the Assistant Chief Executive - Place.

The Strategy and Action Plan was positively received and the Member workshops commended. It was also highlighted that small changes by individuals could make significant changes.

The Committee:-

- i. **NOTED** the content of the draft Ecology Strategy and Actions contained therein;
- ii. **NOTED** the response to the public consultation; and
- iii. **AGREED** to adopt the draft Ecology Strategy and Action Plan as detailed in Appendix 2 of the report.

14. Delivery Plan Budget Monitoring & Progress update Cunntas às Ùr mu Sgrùdadh Buidseit & Adhartas a' Phlana Lìbhrigidh

There had been circulated joint Report No. ECI/53/24 by the Assistant Chief Executive – Place and Assistant Chief Executive People.

The Committee **NOTED** the updates provided for all of the Delivery Plan Projects/Programmes in this report.

15. Infrastructure Levy for Scotland: Scottish Government Discussion Paper Cis Bun-structair airson Alba: Pàipear Deasbaid Riaghaltas na h-Alba

There had been circulated Report No. ECI/54/24 by the Assistant Chief Executive - Place.

The Committee **AGREED** to **HOMOLOGATE** officer comments, as detailed at Appendix 2 of the report, as the Highland Council's response to the Scottish Government's Infrastructure Levy Discussion Paper.

16. Minutes Geàrr-chunntas

The Committee **NOTED** the Minutes of the Planning Applications Committees (PAC) for:-

- i. South PAC – 18 June 2024 (pp.601-605);
- ii. North PAC – 2024 7 August 2024(pp.606-613);

- iii. South PAC – 20 August 2024 (pp.614-618);
- iv. North PAC– 17 September 2024 (pp.619-622);

and also **APPROVED**:-

- v. Community Regeneration Strategic Fund Sub Group 27 August 2024 (pp.623-624); and
- vi. City Region Deal Monitoring Group held on 24 October 2024 (pp.625-627).

17. 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 involves the likely disclosure of exempt information as defined in Paragraph 6 & 9 of Part 1 of Schedule 7A of the Act.

18. Housing Development Initiatives Iomairtean Leasachaidh Taigheadais

There had been circulated to Members only Report No. ECI/55/24 by the Assistant Chief Executive - Place.

The Committee **AGREED** the recommendations as detailed in the report.

19. Property Transactions Monitoring Report Aithisg Sgrùdaidh Ghnothachasan Seilbhe

There had been circulated to Members only Report No. ECI/56/24 by the Assistant Chief Executive - Place.

The Committee **NOTED** the recommendations as detailed in the report.

20. Land and Property Fearann agus Seilbh

There had been circulated to Members only Report No. ECI/57/24 by the Executive Chief Officer Infrastructure, Environment & Economy.

The Committee **AGREED** the recommendations as detailed in the report.

The meeting ended at 12.50 pm