

**The Highland Council
No. 13 2025/2026**

Minutes of Special Meeting of the Highland Council held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on Thursday, 5 March 2026 at 9.30am.

Present:

Ms S Atkin	Mrs B Jarvie (Remote)
Mr M Baird	Ms L Johnston
Mr C Ballance	Mr R Jones
Mr A Baxter	Ms E Knox
Dr C Birt	Ms L Kraft
Mr B Boyd	Mr B Lobban
Mr R Bremner	Mr P Logue
Mr I Brown	Ms M MacCallum
Mr J Bruce	Mr W MacKay (Remote)
Mr M Cameron	Mr G MacKenzie
Mr S Cameron	Mrs I MacKenzie
Mrs I Campbell	Mr S Mackie
Mrs G Campbell-Sinclair	Mr A MacKintosh
Mr A Christie	Mr R MacKintosh
Mrs M Cockburn	Mrs A MacLean
Mr S Coghill (Remote)	Ms K MacLean (Remote)
Ms T Collier (Remote)	Mr T MacLennan (Remote)
Mr R Cross	Mr D Macpherson
Ms L Dundas	Mr D McDonald
Mr J Edmondson	Mr D Millar (Remote)
Mr J Finlayson	Mr H Morrison (Remote)
Mr D Fraser	Ms L Niven (Remote)
Mr L Fraser	Mr P Oldham
Mr R Gale	Mrs M Paterson
Ms C Gillies	Mr M Prosser (Remote)
Mr K Gowans	Ms C Ramsay
Mr J Grafton	Mrs M Reid
Mr A Graham	Mr M Reiss
Mr M Green	Mrs T Robertson
Mr D Gregg	Mr K Rosie (Remote)
Dr M Gregson	Ms M Ross
Mrs J Hendry (Remote)	Mr R Stewart
Ms M Hutchison	Ms K Willis
Mr A Jarvie	

In Attendance:

Chief Executive
Assistant Chief Executive - Corporate
Assistant Chief Executive - People
Assistant Chief Executive - Place
Chief Officer - Finance
Chief Officer - Legal and Corporate Governance
Joint Democratic Services Manager

Mr B Lobban in the Chair

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

Apologies for absence were intimated on behalf of Mrs H Crawford, Mr R Gunn, Mr S Kennedy, Mrs J McEwan, Mr J McGillivray, Mrs L Saggars and Mr A Sinclair.

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

The Council **NOTED** the following Transparency Statements:-

Item 4 – Mr A Christie, Mr J Edmondson, Mr R Gale, Mr D Gregg, Ms L Kraft, Mr A Jarvie, Mr D Millar, Mrs M Ross and Mr R Stewart.

Preliminaries

Prior to the commencement of formal business, tributes were paid to former Councillor Charlie King, who had recently passed away. Mr King had represented Mallaig and the Small Isles between 1995 and 2007, and his contribution, both to his community and as a Strategic Chair, were recognised. Condolences were conveyed, on behalf of the Council, to his family and friends.

**3. Membership of the Council
Ballrachd na Comhairle**

The Council **NOTED** that, following a By-Election for Ward 21 (Fort William and Ardnamurchan) held on 11 December 2025, Mr Matthew Prosser had been elected as a Member of the Council, and that Mr Michael Baird had now joined the Highland Independent group.

The political make-up of the Council was now as follows:-

SNP – 19 / Highland Independent – 18 / Scottish Liberal Democrats – 16 / Highland Alliance – 9 / Scottish Conservative and Unionist – 6 / Scottish Green Party – 3 / Labour – 2 / Non-Aligned – 1.

The formula in respect of the number of places on Strategic Committees was now 5/5/4/2/2.

**4. Medium Term Financial Plan 2026/27 to 2028/29, Revenue Budget and Council Tax 2026/27
Plana Ionmhasail Meadhan-ùine 2026/27 gu 2028/29 agus Buidseat Teachd-a-steach agus Cis Comhairle 2026/27**

Transparency Statements: the undernoted Members declared connections to this item but, having applied the objective test, did not consider that they had an interest to declare:-

Mr A Christie as a Non-executive Director of Inverness Business Improvement District and as Chief Executive of Inverness, Badenoch and Strathspey Citizens Advice Bureau.

Mr J Edmondson as a close family members was a part-time employee of High Life Highland.

Mr R Gale and Ms L Kraft as owners of second homes.

Mr D Gregg as an employee of NHS Highland and Board Member of Inverness, Badenoch and Strathspey Citizens Advice Bureau

Mr A Jarvie as an Employee of the Mental Welfare Commission and as a Director of Scottish Autism.

Mr D Millar as a family member was employed by Highland Council.

Mrs M Ross as Director of the Seaboard Memorial Hall, which participated in the Highland Comfort Scheme

Mr R Stewart as a family member was employed by Highland Council

There had been circulated Report No. HC/01/26 by the Chief Officer – Corporate Finance (Section 95 Officer).

Prior to the debate, the Chief Officer - Corporate Finance, as Section 95 Officer, explained that the report followed a series of earlier reports on the Council's financial planning, as well as a number of briefings for Members, and he thanked all Members and officers involved in the budget process for their support and input. He gave an assurance that the proposals set out in the report and appendices would allow the Council to fulfil its legal obligations in terms of setting a balanced budget and Council Tax. He went on to provide a detailed overview of the report, highlighting a number of key points to support Members in their decision-making.

In moving the recommendations, the Leader of the Council expressed thanks to everyone who had contributed to the report and engaged in the budget process. The proposed budget was multi-faceted and built on the work and aims of the current Administration in recent years, including providing continued financial stability, providing for a sustainable future, continuing investment in communities, and continuing to focus on boosting economic growth in Highland. This was within the context of a challenging financial environment for the public sector and a grant funding settlement that fell short of the service demands and priorities the Council faced, which made budgetary decisions increasingly difficult.

This year, as in the previous year, the proposed budget had been set using a three-year financial outlook for local government, based on Scottish Government figures and analysis produced by COSLA. The outlook included a net cash uplift for 2026/27 of just over £8m. This was set against a backdrop of flat cash, which did not take inflation into account, in the following two years. Whilst the challenges governments faced were understood, local authorities continued to see a greater real-terms reduction in funding than other public organisations. Nevertheless, the approach taken had not been one of simple "salami-slicing" of budgets, and what was presented was another multi-year sustainable budget, aligned to the Council's strategic priorities, that would deliver for Highland communities for several years ahead.

The multi-year way of working allowed a more strategic, forward-thinking approach to shaping the Council's Future Operating Model, which would continue to focus on the decentralisation of services, investment in buildings and infrastructure, targeted support for those most in need, and measures that helped communities remain independent and resilient. It also meant it was possible to move away from the year-to-year savings approach that had been a feature of previous Administrations. The report included proposals for a £61m package of service and strategic savings, income generation proposals and financial flexibilities over the next three years, to close the budget gap and allow for new investments. This included £41.7m of new proposals, which had been worked through carefully by officers across services, and approximately £20m of proposals agreed over the last two years as part of the three-

year budget setting process. Some of the previously agreed proposals had been revised to reflect further due diligence or changes and influences in the external environment. £28m of savings were proposed for 2026/27, of which £15.3m were new. Whilst this was a major challenge, such challenges had been successfully met in recent years. The Council now had a strong record of prudent financial management and long-term planning, which had been recognised by Audit Scotland, and its strategic, progressive approach to achieving savings and generating income beyond grant funding and Council Tax was becoming established and recognised.

Turning to Council Tax, every effort had been made to keep this to a minimum whilst also protecting services. As had been set out previously, the proposed increase was 7%, 5% of which was to deliver a balanced budget and support delivery of vital Council services such as education, housing, day-to-day roads operations and social care. The remaining 2% would be ringfenced to deliver the Highland Investment Plan. This would represent one of the lowest increases in Council Tax in Scotland, and the Administration remained committed to not using an increase in Council Tax as a means of reducing the budget gap. In addition, there were now financial flexibilities in place that allowed the amount of Council Tax charged on second homes and long-term empty homes to be increased. It was therefore proposed to increase the charges for long-term empty homes and second homes to 250% and 300% respectively, to support the Highland Housing Challenge.

The Reserves Strategy introduced in December 2023 continued to be applied, and there was no intention to use non-earmarked reserves to balance the budget. This demonstrated the Administration's commitment to making the Council financially sustainable for the future and ensuring it had secure, robust, financial and effective management.

The proposed budget built on the comprehensive consultation that had taken place during the 2024/25 budget engagement period. As a result of feedback from Community Councils, some members of which had said that they were paying administration costs themselves, it was proposed to increase funding for Council Councils. Similarly, communities had indicated that they wanted support to provide investment in small, meaningful local projects, and it was therefore proposed to increase Ward Discretionary Budgets. Feedback from businesses and Community Councils had also indicated that they would welcome engagement throughout the year, not only during the budget process, and officers had been asked to draw up plans to put this in place. In addition, it was intended, in future years, to bring forward the budget engagement process to late summer/early autumn, which demonstrated the Administration's continued willingness to increase engagement and deliver on its commitment to invest in communities. During the engagement process, the budget position had been clearly set out, as had the work taking place both in terms of investment and to minimise or eliminate unnecessary costs by reducing, redesigning, reappropriating or otherwise increasing the efficiency of service delivery and the operation of the Council. The final details of that work had been set out in the appendices to the report.

In terms of employment, despite the continuing financial challenges, the Administration remained committed to avoiding redundancies wherever possible. Where targeted savings were proposed that affected posts, vacancies would be managed and positions and structures redesigned. The proposed investment plans would seek to create new jobs throughout Highland to deliver improved services and support to communities, including a focus on, but not restricted to, climate impact assessment, the Future Operating Model, bio-diversity, and My Highland Future.

The proposals continued to support the Highland Investment Plan, the Social Value Charter and the Highland Housing Challenge, as well as the work of the Highland Poverty and Equality Commission. In addition, a number of new programmes would be introduced. The overall approach to multi-year planning, strategic and service savings, income generation proposals and Council tax had allowed new investment totalling £12m - £3.5m recurring and £8.m non-recurring – to strengthen key services. This would add to the £4.5m of recurring revenue investment agreed as part of last year's budget setting process.

The proposed new recurring investments in 2026/27 included a £1m fund to support the Highland Housing Challenge; £500k of additional revenue investment for roads maintenance, complementing the previously agreed £21.5m of capital investment; £500k to enable immediate action on the recommendations of the Poverty and Equalities Commission once it published its findings; £406k of additional investment for schools to support children experiencing poverty and barriers to learning; and additional investment in Ward Discretionary Budgets (£105k), public toilets (£72k) and Community Councils (£55k). Non-recurring proposals included £7m of additional investment to support the Social Care Transformation Fund; £1.6m of investment to create a Workforce North Co-investment Fund in partnership with Skills Development Scotland; and a further £300k of investment in the Repair the Highlands Fund, which supported reuse and repair community projects.

While it was recognised that all available investment could be channelled into a limited number of areas such as roads, many people in Highland communities wanted to see investment in a broader range of services. It was acknowledged that the fact that the proposed Council Tax increase was one of the lowest in Scotland would be of little comfort to those who would face affordability challenges, and that some might question proposing such an increase whilst also investing in the Poverty and Equalities Commission and increasing fees and charges. However, it was not possible to maintain fees and charges at current levels when the cost of materials, labour and services provided to the Council continued to rise, and not increasing them risked service provision and creating budget pressures. A strategic yet measured approach had been taken, and increases for services such as bereavement and school meals had been limited to inflation only. The aim had been to achieve the best balance possible, and this was evidenced throughout the proposed budget.

In conclusion, he referred to the continued commitment to working with partners, including High Life Highland and NHS Highland, to invest in the health and wellbeing of communities in Highland.

The Leader of the Opposition referred to his intention to move an amendment, the details of which had been circulated to Members, and he thanked the Chief Officer – Corporate Finance and his team for their support in its development. It was pointed out that the Liberal Democrat Group proposals represented just 0.44% of the overall revenue budget, and the amendment was intended to improve the budget further and provide a more focused, targeted service.

Reference was made to the current conflict in the Middle East and the impact previous conflicts had had on inflation and the price of supplies, and it was highlighted that the budgetary assumptions set out in section 8 of the report could change very quickly.

The Leader, in his introduction, had referred to the fact that the Council had not been fully funded by the Scottish Government, but that was going to continue over the next few years, and attention was drawn to the graph at section 7 of the report which showed that, from 2025/26 to 2028/29, local government was projected to be £500m worse off in real terms. The Leader had also referred to the savings that had been made. However, the report showed that just under £7m of savings from previous budgets had had to be rebased, and it was questioned whether those savings had been too ambitious or unrealistic.

Section 9 of the report referred to a projected overspend of £26m in respect of Adult Social Care, yet in 2022/23 the overspend had been close to £3-4m. It was suggested that this showed a lack of monitoring and control which, if not addressed, would lead to severe difficulties.

The Liberal Democrat Group supported the Administration's proposals regarding Council Tax on second homes and long-term empty homes. It was imperative, for the future of Highland and to address depopulation, to try to bring as many properties as possible back into use and provide opportunities for young people to get on the housing ladder. It was also necessary to ensure there were good quality jobs for young people in Highland.

He disagreed with the statement that there had been no use of reserves in balancing the budget, referring to the repurposing of £21.9m of earmarked reserves to bring general reserves up to 3%. This included £5m in respect of community transport, £6m in respect of renewable energy and £1.7m in respect of teacher numbers, all of which had been flagship projects in last year's budget, and meant that, in future years, the ability to rebase earmarked reserves had gone.

Turning to the investment proposals in Appendix 4 of the report, he agreed with many of them, and the amendment was intended to improve things further by targeting specific areas. He went on to summarise the proposals within the amendment, which included:-

- Accelerating improvement in Highland roads – additional funding to look at new and innovative ways of improving the roads in Highland, in partnership with industry. It was emphasised that it was necessary to continually focus on roads, which the budget consultation clearly showed was constituents' main priority;
- Highland Education Conversation – funding to support a conversation on how to deliver services from the early years to around the age of 30. This linked into a separate proposal relating to parenting skills, as children were sometimes presenting to schools not fully able and ready to cope with the primary or nursery environment. It was necessary to have discussions regarding the secondary school structure and what that should look like in terms of management arrangements, and there was also a separate proposal to fund Business Managers to allow Head Teachers to focus on being leaders of learning. This was about empowering teachers and senior educationalists to close the attainment gap and drive up attainment in secondary schools. The conversation around education should be pan-Highland and holistic, including Parent Councils, third sector representatives, Highland Youth Voice, Skills Development Scotland, UHI, Highland Alcohol and Drugs Partnership and many others, and should be concluded in time to feed into the 2027/28 budget;

- Free online driving theory and driving safety lessons for S6 pupils – too many young people in Highland lost their lives in road traffic accidents, and the aim of the proposal was to raise awareness, at an earlier stage, of how dangerous Highland roads could be, especially in winter when conditions could change quickly;
- Learning Labs or Homework Clubs – it was proposed to trial, with a view to rolling out further, a homework club in a primary school on a couple of nights a week. This would provide mentors, such as retired teachers or Pupil Support Assistants, as well as wraparound care and a safe learning environment, and could be linked up with Pupil Equity Funding to provide other activities. It would provide the young people and volunteers involved with an evening meal, and would help to address both poverty and the attainment gap;
- Intergenerational activities fund – this would allow youth clubs, schools, community centres and third sector organisations to bid for funding for transport costs, food and activities to create links between young people and older people. It would raise awareness amongst young people of the issues experienced by older people, and could potentially foster an interest in a career in adult social care;
- Enforcement – funding to support a zero tolerance approach to the enforcement of fines and fixed penalties in respect of issues such as littering, dog fouling and abandoned vehicles. It was also intended to strengthen enforcement in relation to hygiene standards and planning breaches; and
- Financial Education – it was necessary to equip every parent and young person with financial literacy so that they could avoid debt or poor decision-making in the future, and the proposed funding would support the provision of advice on financial literacy in schools, early years settings and community centres.

In conclusion, it was hoped that the amendment could be accepted as it would create a better, more powerful budget for Highland, and he looked forward to the comments of the relevant Strategic Chairs on the proposals.

The Leader of the Scottish Conservative and Unionist Group also referred to his intention to move an amendment, and he thanked the Chief Officer – Corporate Finance and his team, as well as his Scottish Conservative and Unionist Group colleagues, for their assistance in its development. He acknowledged that there were many good proposals within both the Administration's budget and the Liberal Democrat Group's amendment, and there were clearly areas of agreement among Members regarding the scale and scope of the challenges the Council faced. However, he could not support a proposal that would result in taxing hardworking constituents more than they were already paying. Households continued to face sustained cost of living pressures, with mortgage rates, food prices, fuel costs and everyday bills all remaining high. In such circumstances, it was essential for local authorities to focus on protecting residents and strengthening frontline services, and he believed that the Scottish Conservative and Unionist Group's amendment made the right choices for working families, businesses and communities across Highland.

It was proposed to increase Council Tax by 3.5%, the minimum viable level, which was 1.5% above the 2% required to support the Highland Investment Plan. It was also intended to double the Administration's proposed additional investment in roads to £1m to kick-start the recovery of Highland roads and begin to address the more than 30,000 defects and the £233m maintenance backlog. Additionally, the amendment would introduce free Saturday parking in town centres to support High Street businesses; deliver fully funded universal primary school meals worth over £40

per child per month for working families; freeze bereavement fees to protect families at their most difficult times; and maintain Council Tax on second homes, many of which existed for practical reasons and were in use, at 200% for at least the next two years while focusing action on long-term empty properties. Under these proposals, families would be up to £1,386 per year better off which demonstrated the difference that responsible tax policy and pro-growth thinking could make to household finances, and that it was possible to support families, invest in infrastructure and protect frontline services. He went on to state that Highland was one of the most scenic places in the world, and tourism was a cornerstone of the Highland economy. However, it was essential it was managed properly, and the amendment would double the number of Countryside Rangers, strengthening the service and ensuring there was a visible presence across communities. Discretionary funds, Community Council grants and Comfort Scheme funding would also be increased.

In conclusion, he commended the amendment to Members, emphasising the importance of spending taxpayers' money wisely to deliver the essentials well, and leaving as much money as possible in the pockets of those who had earned it.

Thereafter, the following points were raised:-

- Mr A Jarvie moved an amendment where he highlighted that the current waiting list for neurodevelopmental assessment services (NDAS) for autism and ADHD in NHS Highland and Highland Council's area now exceeded 1900 children. There was a significant risk that many of these children would not be assessed during their time in school. An amendment was proposed to transform NDAS with an immediate phase to clear the backlog, and a long term partnership phase to redesign the NDAS assessment model to meet the future levels of need. This would involve commissioning a qualified provider to assess those on the waiting list and clear the existing backlog whilst partnering with Glasgow University Clinical Researchers to develop a new future model. It was estimated that the resources required to implement this proposal would be £1.2m over 2 years funded by the transformation reserve. It was requested that the proposal be approved with a report on the next steps to be submitted as soon as possible to a future Council meeting;
- in terms of the NDAS amendment, this was welcomed as there were long waiting lists for neurodevelopmental assessments and the proposal sought to develop a sustainable solution to prevent waiting lists from building up again. However, the proposal required further development by officers, working with the NHS and allied professionals, as well as procurement and commissioning advice. It was hoped that Officers could develop a detailed proposal that could be considered at an early meeting of full Council;
- in relation to the budget for Social Care, COSLA had lobbied for £750m of additional funding for social care pressures and that had not been forthcoming. There were planned real term increases in the Scottish Government spend on health and social care and social justice. However, that was for services largely delivered by NHS and Scottish Prison Service and excluded the core services provided by the Council, therefore the Council was facing real term cuts in its grant funding over the coming years;
- the challenges in social care were highlighted, for instance the number of people aged 75+ in the Highlands had increased by 78% since 2001 and was set to rise a further 34% by 2028. Therefore, the Council's budget provision for Adult Social Care had been rising faster than its overall budget;

- the NHS and the Council had developed recovery models that were designed to deliver long term savings and improved outcomes. However, bringing about these changes required investment. The proposed budget would introduce £19m additional funding in Adult Social Care, which included a £7m increase in funding for cost recovery, change and transformation;
- it was encouraging to see the way the Council, NHS Highland and all its partners were working together to improve outcomes and deliver improved value for money. Progress was being made in several areas and these budget proposals allowed that work to continue. The oversight of the adult social care budget was by the Joint Monitoring Committee and the joint chair of that committee had already written to the Chief Executives of NHS Highland and Highland Council regarding the need for improved financial control;
- proposed investment contained in the budget would address key areas of poverty and equality, roads maintenance, community investment and support for pupils and their families. There would also be increased funding for ward discretionary funding, community councils and comfort schemes as these were areas of importance for communities. All of this enhanced the recurring funding for care and respite, additional support needs, countryside rangers and many other key areas. Partnership working was very important given the pressures being faced in many areas and this was reflected in the budget;
- savings and efficiencies required to be made in order that the Council could continue to meet its statutory obligations and deliver core services and these were reflected in the budget;
- proposed savings in the education budget were limited and those identified accounted for 0.5% of the total budget, whereas the total of new Council funding for such areas as My Highland Future, Curriculum development, employability, support for additional support needs totalled nearly £3m;
- reference was made to the proposed budget safeguarding frontline services and protected funding for schools. It recognised the unique geography and challenges of the Highlands, delivering services across one of the largest local authority areas in the UK. There was investment in roads and transport connectivity. There was investment in schools, funding to strengthen communities and deliver housing, the importance of which was detailed at the meeting. The Highland Investment Plan would ensure sustainability, resilience and opportunity for the Highland area;
- there was a need to support people to remain active and live in their own homes for as long as possible; to focus on community support and accessible housing with adaptations, early interventions and local care services and reduce long term demand on hospitals and high cost care. The importance of fairness to people was highlighted for people on fixed incomes, particularly at difficult times in life and for this reason it was proposed that bereavement fees should be frozen;
- in order to meet budget pressures the Communities and Place budget proposed increases in line with inflation to lair and interment fees following a freeze in those fees last year; after the refurbishment of the Inverness crematorium fees would increase in line with CPI; there would be an increase in fees for commercial waste but no increase in the fees for brown bin garden collections. With the new waste collection fleet there would be significant savings arising from this and there was scope to reduce the number of vehicles in the fleet by two. There would be savings following the roads and amenities redesign and further income generation proposals as highlighted at the meeting;

- the areas in the budget relating to the continuation of seasonal access rangers, maintenance of long distance paths, repair cafes for community groups was welcomed as was the £500k set aside for initial measures to address the Poverty and Equality Commission's findings. There were numerous planning conditions for biodiversity net gain and the additional resource for Planning was welcomed so that biodiversity net gain areas could be mapped and protected. More investment in active travel and home insulation had been sought in the budget;
- the proposed 7% Council Tax increase in the budget was in the bottom third of increases by local authorities across Scotland. The Council's medium term financial plan put the Council in a good position going forward. Further, the Council's new accounting software meant that all budget holders could monitor their budgets in real time which was important in order to control budgets;
- it was welcomed that the budget would increase the Council Tax on long term empty properties and second homes to help improve housing availability in local communities and there was evidence to show that these increases were working;
- some of the practical and forward looking steps being taken were highlighted to strengthen the economy and infrastructure in Highland that supported communities, businesses and households. These measures included the continued 2% of Council Tax earmarked for improvements would deliver £120m over a two year period; modernising how major projects were delivered to increase capacity and efficiency. Increased investment in roads was highlighted;
- in terms of savings proposed in School Crossing Patrollers, more detail was requested on which schools would be affected;
- in terms of the independent Scottish road maintenance condition survey results, this survey highlighted the major gap in funding to maintain roads to a suitable standard in Highland which was approximately £1m each month. It was felt that the funding formula at COSLA needed to be looked at and the Council should lobby the Scottish Government for more funding for its roads;
- there was concern that repair costs for Chromebooks were to come from school budgets and this should be reviewed;
- an amendment was proposed Dr M Gregson that £0.8m of earmarked reserves be re-purposed to carry out a scoping and feasibility exercise in respect of improvements to Upper Bridge Street, Inverness to complement the refurbishment of Inverness Castle and deliver a better gateway to the Highlands;
- the Highland Housing Challenge was a strategic initiative that sought to address the critical shortage of affordable and market rate housing of all types and tenures through a multi-faceted approach;
- as part of the above approach, the Highland Housing Challenge Fund would provide grants and loans to incentivise bringing empty homes back into use as affordable homes for rent or sale; it was also important that the Council led by example with its own stock;
- the proposed increase in Council Tax for second homes and long-term empty properties be supported on the basis that everyone in the Highlands should have the opportunity to own a suitable first home or to rent affordably;
- querying whether the Council tax premiums on long-term empty properties and second homes would increase housing availability and the need to gather better data in this regard;
- expressing support for the community investment proposals set out in the proposed budget and the level of public consultation and engagement undertaken and also the expansion of the Repair the Highlands Fund;

- concern at the proposal to increase the cost of school meals when the Council was seeking to encourage uptake; it was recognised food inflation had increased, and it was proposed that Poverty & Equality Commission funding be used to mitigate against any increase;
- it was important to note that under the Leader of the Scottish Conservative and Unionist Group's amendment families would be better off and the proposal to introduce free school meals for all primary pupils would ensure equity and fairness for all children;
- it should be noted that school meals continued to represent good value with many families receiving free school meals and that officers were working to identify ways of increasing uptake which would help keep costs down in the longer term;
- in relation to the flexible childcare income uplift, the Council would continue to offer lower rates than the average private, voluntary and independent sector childcare rates across Highland;
- concern at any proposal to reduce the workforce as part of the roads and amenities redesign project given challenges in delivering works due to recruitment difficulties and staff vacancies in many areas in Highland;
- the purchase of a roller and paver to reduce hire charges and the need to bring in contractors be supported, however this equipment should be used for roads repairs in Highland and not in other areas as an income generation measure;
- the proposal to have free online driving theory and driving safety lessons for S6 pupils be supported on the basis that any action to reduce the number of fatalities on roads and keep youngsters safe was to be welcomed;
- concern at the impact on local businesses and residents associated with the proposed savings in respect of the Corran Ferry. The reason for the amendment to remove this saving was to allow the Council the time and opportunity to review the whole fare structure and engage with the local community; it was also queried why fares were being increased in the context of repeated loss of service, previous budget proposals not being achieved, and smart ticketing still not being in place;
- the significant backlog of unfunded roads repairs across the Highland and the importance of supporting that part of the Leader of the Opposition's amendment to accelerate improvements in the road network by focusing on innovation and the potential to work with all Members on this proposal going forward;
- concern that additional funding to NHS Highland in respect of Adult Social Care would not be a one-off and that it would be helpful if Members were provided with regular updates or a summit held on future funding requirements;
- support for the proposal to redesign the NDAS model and potential for this to be considered at the Health, Social Care and Wellbeing Committee as it would affect young people going into adulthood; the potential to roll out a similar model in respect of dementia also be considered, noting this could potentially deliver a high level of savings for health and care services;
- concern that multi-year flat cash settlements from the Scottish Government to the Council were not acceptable and that the loss of European funding following Brexit had not been replaced; the onus should be on increased central government funding rather than on Highland tax-payers;
- the Administration, Senior Management Team, High Life Highland and Eden Court be commended on the cost efficiencies delivered and the importance of the Council working with all its partner agencies to help deliver efficiencies was referenced;

- the proposed increase in Council tax was reasonable and necessary, however further increases above the rate of inflation in future years was not fair, affordable or sustainable unless specifically for investment that enjoyed public support; the Council had to continue to live within its means and that of the public it served;
- the Council's inhouse bus team be commended on its success and increasing contribution it made to the Council's financial strength and sustainability as a result of excellent management, smart investment and a willingness to innovate;
- the Leader of the Opposition's amendment in relation to education and learning would enhance the Council's ability to take up the opportunities associated with the Inverness and Cromarty Firth Green Freeport, help with preparation for reskilling and uptake of these new skills and the move to an able workforce required to support the growth of the Highland economy;
- the proposal in the above amendment to develop homework clubs be supported on the basis it was a way of improving attainment and the life chances of the most vulnerable pupils; if not approved as part of the budget setting, then it would be helpful for this to be considered going forward;
- the significant work being undertaken on cost control, financial management and monitoring and tracking and confidence that financial recovery and transformation could be delivered at greater pace; a real focus was required on how the Council could achieve more service delivery with better outcomes for the same spend going forward;
- in relation to sickness absence, the proposal to invest in attendance support officers to support managers and teams to help staff to remain at or return to work be supported;
- the majority of schools in Highland did not have school crossing patrollers and over half of the saving would be achieved through existing vacancies; the proposal was to consider whether a patroller was required by identifying and where appropriate implementing alternative safer routes to schools measures;
- it was important not to understate income and overstate expense when budgets were tight; the current global instability meant that there was considerable uncertainty over the budget for 2026/27;
- the proposed council tax increase for second homes was too inflexible as it could increase costs if a renovation project was delayed;
- clarity was sought on whether the figure of 9,000 on the housing waiting list was the number of individual people on the list or the number of properties being applied for. This would be provided to Mr R Cross outwith the meeting; and
- Mr Jarvie's amendment in respect of NDAS could impact significantly on Looked After Children, offending behaviour and employability, all of which could impact the cost savings in the budget.

Thereafter, Dr M Gregson withdrew his amendment that referred to Upper Bridge Street, noting that further discussion on the matter was to be held outwith the meeting.

Mr A Jarvie summarised his amendment, referring to the need to detect and remove barriers to neurodiversity referrals, comparing the policies for diagnosing cancer versus neurodiversity, and summarising the need for a wider range of tools for schools to tackle neurodiversity.

Mr R Stewart summarised his amendment, including the need to support working families and highlighting the need to keep the Council Tax increase to 3.5%, being the lowest sustainable increase, and to the funding proposals detailed in his amendment.

Mr A Christie indicted his acceptance of Mr Jarvie's amendment into his amendment, but indicated that while aspects of Mr Stewart's amendment were palatable, certain issues were not, including the 3% efficiency and its impact on staffing, and the removal of some non-statutory services, which Mr Christie considered to be essential. Mr Christie expressed disappointment that the Administration Members did not support his proposals and he drew attention to the poor state of the road network being the public's most pressing concern, and that faster action and innovation were required. The importance of the Highland Education Conversation was also referenced.

The Leader summarised his motion, and confirmed that Mr Jarvie's amendment was acceptable and would be incorporated. While not accepting Mr Christie's amendment into the motion, he indicated his support for much of the content of Mr Christie's amendment and his desire to include aspects of it in the Administration's budget going forward, in the terms offered by the Chair of Health, Social Care and Wellbeing Committee. However, he made reference to the time required to develop ideas, including the opportunity costs and funding implications of any actions or proposals. The Leader stated that he did not support the inclusion of the amendment offered by the Scottish Conservatives in his motion as he did not feel able to support the proposed 25% additional increase in Council Tax on long-term empty properties and second homes over and above what had already been tabled, and this impacted on the ability to fund some of the further proposals put forward by Mr Stewart. Similarly, with regard to the repurposing of ear marked reserves as proposed by the Labour Group, this could not be accepted into the motion but the Administration would be willing to work with the Group to look at the proposals going forward.

The Leader made reference to the poor state of the road network as a result of many years of insufficient investment, highlighting that a £7.2m capital base budget had been in place in January 2023, with no sustainable investment plan. In comparison, the current capital road budget commitment was £21.5m for the next 22 years, with a sustainable plan and built-in annual increases. Further detail on the specific improvements to the road were summarised, including the focus on the road surface programme and the Area allocation process. The Roads Redesign Process that was underway was summarised. The impact of lack of investment in the Corran Ferry was also highlighted.

Mr R Bremner, seconded by Mr B Lobban, **MOVED** the recommendations as detailed in the report, with the addition of the amendment proposed by Mr A Jarvie. Mr R Stewart, seconded by Mrs I MacKenzie, moved an **AMENDMENT** as circulated.

On a vote being taken, the **MOTION** received 54 votes and the **AMENDMENT** received 3 votes, with 8 abstentions, and the **MOTION** was therefore **CARRIED**, the votes having been cast as follows:

For the Motion:

Ms S Atkin, Mr M Baird, Mr C Ballance, Mr A Baxter, Dr C Birt, Mr B Boyd, Mr R Bremner, Mr I Brown, Mr M Cameron, Mrs B Campbell, Mr A Christie, Mrs M Cockburn, Mrs T Collier, Ms L Dundas, Mr J Finlayson, Mr D Fraser, Mr L Fraser, Mr R Gale, Ms C Gillies, Mr K Gowans, Mr J Grafton, Mr A Graham, Mr M Green, Mr D Gregg, Dr M Gregson, Mrs J Hendry, Ms M Hutchison, Ms L Johnston, Mr R Jones, Ms E Knox, Ms L Kraft, Mr B Lobban, Mr P Logue, Ms M MacCallum, Mr W MacKay, Mr G MacKenzie, Mr S Mackie, Mr A MacKintosh, Mr R MacKintosh, Mrs A MacLean, Ms K MacLean, Mr T MacLennan, Mr D Millar, Mr H Morrison, Ms L Niven, Mr P Oldham, Mrs M Paterson, Mr M Prosser, Ms C Ramsay, Mrs M Reid, Mrs T Robertson, Mr K Rosie, Mrs M Ross, Ms K Willis

For the Amendment:

Mrs B Jarvie, Mrs I MacKenzie, Mr R Stewart

Abstentions:

Mr S Cameron, Mr S Coghill, Mr R Cross, Mr J Edmondson, Mr A Jarvie, Mr D Macpherson, Mr D McDonald, Mr M Reiss

Mr R Bremner, seconded by Mr B Lobban, **MOVED** the recommendations as detailed in the report, with the addition of the amendment proposed by Mr A Jarvie. Mr A Christie, seconded by Mrs T Robertson, moved an **AMENDMENT** as circulated with the addition of the amendment proposed by Mr A Jarvie.

On a vote being taken the **MOTION** received 41 votes and the **AMENDMENT** received 22 votes, with 2 abstentions, and the **MOTION** was therefore **CARRIED**, the votes having been cast as follows:

For the Motion:

Ms S Atkin, Mr M Baird, Mr C Ballance, Dr C Birt, Mr B Boyd, Mr R Bremner, Mr I Brown, Mr M Cameron, Mrs B Campbell, Mrs M Cockburn, Mrs T Collier, Ms L Dundas, Mr J Finlayson, Mr D Fraser, Mr L Fraser, Ms C Gillies, Mr K Gowans, Mr M Green, Mrs J Hendry, Ms M Hutchison, Mrs B Jarvie, Ms L Johnston, Mr R Jones, Ms E Knox, Ms L Kraft, Mr B Lobban, Mr W MacKay, Mr G MacKenzie, Mr A MacKintosh, Mr R MacKintosh, Ms K MacLean, Mr T MacLennan, Mr D Millar, Mr H Morrison, Ms L Niven, Mr P Oldham, Mrs M Paterson, Mrs M Reid, Mr K Rosie, Mrs M Ross, Ms K Willis

For the Amendment:

Mr A Baxter, Mr S Cameron, Mr A Christie, Mr S Coghill, Mr R Cross, Mr J Edmondson, Mr R Gale, Mr J Grafton, Mr A Graham, Mr D Gregg, Dr M Gregson, Mr A Jarvie, Mr P Logue, Ms M MacCallum, Mr S Mackie, Mrs A MacLean, Mr D Macpherson, Mr D McDonald, Mr M Prosser, Ms C Ramsay, Mr M Reiss, Mrs T Robertson

Abstentions:

Mrs I MacKenzie, Mr R Stewart

Decision

The Council:-

- i. **NOTED** the budget context, information, assumptions and risks, as set out within the report and provided by the Section 95 Officer;
- ii. **NOTED** reports over the past year from Audit Scotland and the Accounts Commission, as referenced in the report, providing positive commentary on the Council's financial management and other financial arrangements;
- iii. **NOTED** the additional processes, actions and controls being introduced to further enhance and improve the Council's financial management and budgetary control arrangements;
- iv. **AGREED** the three-year package of new, additional and revised budget saving, income generation and other saving proposals put forward by the Council Administration as set out at Annex 5a and 5b to the report;
- v. **AGREED** the growth and investment funding proposed by the Council Administration as set out on Annex 4 to the report;
- vi. **AGREED** the package of budget pressures and new burdens as set out on Annex 2 to the report;
- vii. **AGREED** to the Partner Funding arrangements relating to NHS Highland and High Life Highland as set out in section 9 of the report;
- viii. **AGREED** that in relation to Adult Social Care for the 2025/26 financial year, that an additional up to £5.0m of additional one-off funding, in recognition of cost pressures and overspend, be provided to NHS Highland, to be funded from reserves;
- ix. **NOTED** the updated position relating to reserves and taking account of the budget proposals and recommended earmarking and re-purposing as set out within the report (Annex 6);
- x. **AGREED** in relation to Council Tax, a 7% increase for 2026/27, represented by a 5% core increase to balance the budget for the year plus 2% earmarked for capital investment through the Highland Investment Plan, with details of the resulting Council Tax as shown in Annex 7a to the report;
- xi. **AGREED** that in relation to Council Tax on Second Homes and Long-term Empty Properties, the Council would utilise the flexibility to be introduced via legislation and increase premium charges on Second Homes and Long-term Empty Properties as set out in paragraph 18.5 and Annex 7b to the report;
- xii. **NOTED** the indicative assumptions on Council Tax for 2027/28 and 2028/29 as per Annex 7a to the report, with these subject to future review and formal decision as part of annual budget setting;
- xiii. **AGREED** the proposed Revenue Budget for 2026/27 as set out within the report and on Annex 3 to the report; and
- xiv. **APPROVED** the amendment in respect of NDAS and **AGREED** that further work be undertaken to develop a detailed proposal to be considered at a future meeting of the Council.

The meeting ended at 2.10pm.