

Agenda Item	6.
Report No	CPB 05/18

HIGHLAND COMMUNITY PLANNING PARTNERSHIP

Meeting: Community Planning Board

Date: 21 June 2018

Report Title: Inverness and Highland City-Region Deal Update

Report By: Director of Development and Infrastructure

1. Purpose/Executive Summary

- 1.1 The purpose of this report is to provide the Community Planning Board with an update on the Inverness and Highland City-Region Deal.

2. Recommendations

- 2.1 The Board is asked to note the report.

3. Benefits of the City Region Deal

- 3.1 The City-Region Deal provides a significant funding package which invests up to £315m into the regional economy. As part of this funding package, the Scottish Government will commit up to £135m. The United Kingdom Government will commit up to £53m. This includes £3m advance funding for City Wi-Fi and environmental improvements around Inverness Castle. The Highland Council, along with regional partners, will commit up to £127m. Collectively, this funding package will be provided over a 10 year period, subject to detailed business cases, statutory processes and implementation plans.
- 3.2 Led by The Highland Council, which is responsible for both the city of Inverness and the wider Highland Region, the Inverness and Highland City-Region Deal is being implemented by a partnership between the Council, Highlands and Islands Enterprise, The University of the Highlands and Islands (UHI), and Albyn Housing Society Ltd.
- 3.3 The deal is transformative and will position the area as a region of opportunity. It focuses on the attraction and retention of young people so that they can contribute to and benefit from a growing and increasingly skilled economy. It will make a step change contribution to the long term productivity and economic growth of the region by investing in vital infrastructure, fostering innovation, supporting regional skills development and promoting tourism.

4. Governance

- 4.1 A programme board exists comprising of the lead officers for each project, a representative from the Council's Finance Service and representatives from the business community. The Scottish Government and UK Government are also represented on the board which is Chaired by the Council's Director of Development and Infrastructure.
- 4.2 The Programme Board, reports to the Environment, Development and infrastructure Committee and undertakes the following roles:
 - ensures delivery of business cases and the implementation plan;
 - ensures effective co-ordination between partners;
 - ensures the ongoing overall alignment of the individual projects within the programme;
 - resolving strategic and operational issues between projects;
 - setting of gateway decision points for each individual project; and
 - monitoring project status and ensure project delivery; and manage risks and financial commitments.
- 4.3 A City-Region Deal Scrutiny Board has been established comprising the Group Leaders. This will review and monitor the progress of projects.

5. The City-Region Deal Projects

- 5.1 The projects within The City Region Deal are shown in **Appendix 1**. This describes the projects and gives an update on the current status of each project. Whilst individually the projects will deliver benefits they are also part of a programme that will deliver benefits to the city and Region greater than the sum of its parts. Progress against project will be reported to this committee quarterly. As projects mature the

report will be developed to show benefits delivered.

6. Implications

- 6.1 Resource: There are no resource implications as a consequence of this report.
- 6.2 Legal: There are no legal implications as a consequence of this report.
- 6.3 Community (Equality, Poverty and Rural): There are no equality implications as a consequence of this report.
- 6.4 Climate Change / Carbon Clever: There are no climate change implications as a consequence of this report.
- 6.5 Risk: There are no risk implications as a consequence of this report.
- 6.6 Gaelic: There are no Gaelic implications as a consequence of this report.

Designation: Director of Development and Infrastructure

Date: 12 June 2018

Author: John Robertson, City-Region Deal Programme Manager

PROJECT OVERVIEW

Project	Aim	What	Where	Funding	Latest Developments	Lead	RAG
Science Skills Academy	To increase take up and attainment in Science Technology Engineering and Maths subjects.	A network of STEM learning centres (Newton Rooms and STEM teaching).	Pan Highland	£3m Scot Gov	Lessons are being delivered in the Hub and elsewhere. The first two Newton rooms will be in Caithness (At the North Highland College) and Lochaber (The interim Lochaber base is likely to be the Caol Youth Centre). Options appraisal is under way for remaining rooms	HIE	G
School of Healthcare and Life Sciences)	To develop health care solutions appropriate to Highland Citizens and Create Commercial opportunities in the back of this.	The creation of new multi disciplinary facility and research, development and commercialisation of health services	Pan Highland	£9m UK Gov	Full Business case Approved and Money started to flow Commercial Director in post. Work is underway on the Centre of Life Science pending the development of the new facility. There are issues with the design and build of new campus facility currently being investigated	UHI	A
Longman Land Remediation	To create capacity for the creation of small and medium industrial units and the associated economic benefits including job creation.	Remediation of approximately 18 hectares of the former landfill site and the Longman.	Inverness	£10m UK Gov	Partial business case approved for investigation works. Test drilling is complete and data being analysed. Discussions will be opened with Sepia imminently	THC	G

Project	Aim	What	Where	Funding	Latest Developments	Lead	RAG
FIT House	To enable people to live independently at home for longer and potentially allowing for early hospital discharge.	Innovative assisted living schemes using the latest IT to monitor and direct support. 32 modular houses in clusters and in addition 16 technology enabled homes at Dalmore.	Pan Highland	£3m Scot Gov.	The business case was signed off in November. This was significantly later than expected and delays will result. There are concerns about the project management and supplier management with this project. The programme Managers recommendation is that a properly qualified project manager is appointed.	Albyn Housing Society Ltd.	A
Northern Innovation Hub	To grow businesses including their capacity for exporting; increase productivity, increase the value of wages and numbers of people employed.	A series of interventions and support activities primarily through procurement to provide tailored support for high growth small and medium sized businesses in The Highland Council Area.	Pan Highland	£11 m UK Gov.	Against original profile this project s nearly £2m behind spend profile. However the process for signing off the business case was difficult in the extreme and took a year of iterations to conclude creating the delay.	HIE	G
Digital	To increase superfast	Identify and explore ways to	Pan Highland	£20m UK Gov	Not withstanding there has been a success with LFFN, the agreement	HIE	

Project	Aim	What	Where	Funding	Latest Developments	Lead	RAG
	connectivity to premises in the Highland Council area.	extend digital coverage, including Superfast Broadband.			on how to spend the digital funds is proving extremely problematic. The latest proposals are for a follow up full fibre in Aviemore, Dingwall, Tain, Alness, Invergordon and Nairn. Lobbying to allow some of the fund to be spent on business supporting activities is being discussed.		R
Longman Interchange and East Link	To improve traffic flow and journey times and open up land for housing development. Support the use of new Longman industrial units.	Commitment to delivering the strategic A9/A96 Link Road and The graded interchange at the Longman.	Approved and test drilling underway	£109m Scot Gov	The Dashboard report from Scottish Government is optimistic about the project but would benefit from more milestone dates	Trans Scot	G
Affordable Housing	Increase the availability of affordable housing primarily to young people.	Development of a package of support to increase the availability of affordable housing for young people.	Pan Highland	£5m Scot Gov	Steady progress is being made but the project requires significantly more development land on the back of road developments to meet targets in later years	THC	G
Air Access	Continued recognition of the importance of effective regional air access.	To work towards working to consider mechanisms for promoting	N/A	N/A	The current aim is to align with the release of Department for Transport UK Aviation Strategy.	HITRANS	G

Project	Aim	What	Where	Funding	Latest Developments	Lead	RAG
		improved regional access.					
Skills and Employability	Reduce the number of people who are long term unemployed and to increase the skills from those groups of those entering the workforce.	Develop innovative approaches to delivering employability programmes across the Highlands.	Pan Highland	N/A	The project is behind schedule, partly as a consequence of a cluttered policy framework. A meeting took place discuss an approach with Scottish Government. It is hoped that some progress can be made following this	THC	A
Castle	To create a world class visitor attraction for Inverness and the Highlands increasing visitor numbers and length of time spent.	The design and commissioning of the world class visitor centre and development of the various offerings commercial or otherwise.	Inverness / Pan Highland	£15m Scot Gov	Work continues to create the campus area, decide approach and determine inclusions. This is necessarily a long process and the ambition and opportunities are driven by a partnership between the Scottish Government, Highland Council, Highlife Highland HIE and others.	THC	G