

Agenda Item	<b>5</b>
Report No	<b>WRSL/005/20</b>

## **HIE's role in economic and community development across Wester Ross, Strathpeffer and Lochalsh**

### **Introduction**

This paper outlines HIE's current strategic focus and the organisation's response to the impact of the COVID-19 pandemic and associated lockdown restrictions on the regional economy and society. It draws on research carried out in recent months and highlights some examples of support provided to businesses and community organisations in the Wester Ross area.

### **HIE strategy / focus**

HIE published its three-year strategy in June 2019, aligned with the vision set out by the Enterprise and Skills Strategic Board and the Scottish Government for sustainable and inclusive economic growth for Scotland. This framework remains valid and our long-term vision of the Highlands and Islands as a *highly successful, inclusive and prosperous region in which increasing numbers of people choose to live, work, study and invest*.

COVID-19 has brought our economic and demographic challenges into even sharper focus with evidence suggesting a greater impact on the tourism and hospitality sector, young people and on some of our more remote areas. We will need to focus on recovery, building resilience in our businesses and communities so they can be sustainable and grow, retaining and creating employment and attracting new population and investment. The Wester Ross area has many opportunities from its unique natural, physical, human and cultural assets and a recovery built around green and blue growth will be key.

We have continued to closely monitor the impact on businesses and communities along with the emerging sectoral and employment impact across the region through our research and analysis. This analysis has indicated that GDP in the region as a whole is expected to contract significantly in 2020 and is estimated to decrease by £1.5-£2.6bn. Medium term recovery forecasts for Scotland are for gradual recovery by Q4 2022. However, for the Highlands and Islands, recovery to pre-COVID levels is unlikely until 2023 at the earliest.

The most recent HIE Business Panel survey gathered information from over 1,000 businesses in every part of the region in June 2020. Low levels of confidence in the economy were notable, although 75% of respondents believed their own business would be viable in six months' time.

The response to the current crisis has required a concerted effort with enterprise and skills agencies, Business Gateway, local authorities and business and community organisations. Recognising the importance of collaboration, HIE has contributed to a variety of local, regional and national multi-agency/organisation groups. An immediate response included supporting the national coordination of advice, information and support through the Find Business Support website. This is available to all businesses alongside the enterprise agencies' local account management service which provides clients with more intensive and tailored 1-2-1 support. Our updated website, marketing and communications, including social media, ensured businesses and communities across the Highlands and Islands could access information on all the available support early on.

We gathered client insights from February (using topics consistent with our partners in other enterprise agencies) and engaged with industry locally, regionally and nationally to ensure we understood the nature and scale of the economic impact as it unfolded. We shared our intel with partners feeding into local, regional and national working groups.

### **Support to businesses**

From April 2020, HIE worked in partnership with Scottish Enterprise, South of Scotland Enterprise, Creative Scotland and VisitScotland to create and deliver the Pivotal Enterprises Resilience Fund (PERF) and Hardship funds made available by the Scottish Government. Significant recipients of the £10.4m of PERF grant awarded to businesses in the Highland Council area include:

- Torridon Inn
- Applecross Inn
- The Arch Inn
- Badachro Trading
- The Ceilidh Place
- Wester Ross Radio
- Badachro Distillery
- Kinlochewe Hotel

In addition, we have continued to work with key employers in the area to support growth and diversification, including at Kishorn where the provision of grant aid to Kishorn Port Limited has supported the development of an accommodation block to improve the site's competitiveness when bidding for larger scale decommissioning projects.

### **Strengthening Communities**

Supporting Communities fund – from March 2020, HIE has delivered in excess of £3m of Scottish Government funding to community anchor organisations to support local activities that mitigate the impact of the Covid19 pandemic. Over £250,000 has been awarded to nine organisations that cover the Ward area.

Place based activity has continued through the account management of key communities, including:

- Applecross
- Kyle of Lochalsh
- Lochcarron
- Ullapool

Project support has been provided to support GALE with undertaking a Planning for Real exercise in the Gairloch and Loch Ewe area. In addition, the Wester Ross Biosphere has been supported to complete a Tourism Destination Management Plan for Wester Ross (Glenelg to Coigach) in collaboration with businesses and communities.

**Wester Ross Social Business Start-up School** – Funded through the EU's Interreg programme this programme is now online via the Social Enterprise Academy. Following workshops held in Ullapool, Gairloch and Lochcarron in 2019 seven clients are now receiving support to progress new social enterprises or socially focussed businesses.

### **Regional Development and community planning**

HIE has supported a number of larger projects in the area and continues to work with local partners to develop further the infrastructure needed to build strong, sustainable, prosperous communities. The following list is indicative of the work we have been involved in over recent times:

- New £2.4m Gairloch Museum building opened by Gairloch and District Heritage Company in 2019.
- Wester Loch Ewe Community Trust secured the former Inverasdale Primary School from Highland Council and progressing with the development of a community centre.
- Kyle & Lochalsh Community Trust progressing plans for a new community hub at the Plock in Kyle.
- New affordable housing projects being explored by groups in Applecross, Lochcarron, Torridon, Shieldaig and Coigach
- Ullapool Harbour Trust completed slipway renovations in 2018 and are now progressing plans for new inner harbour facilities and pontoons.
- GALE seeking to progress work to establish designs for toilets and chemical waste disposal facilities that support local and tourism use and can be sustainably operated.

Following a recent meeting of the overarching Highland Community Planning Partnership a revised schedule of meeting is being drawn up to align locality sub-group meetings with council ward meetings as appropriate. This will minimise duplication, continue collaboration and foster practical application of the principles of community planning. This will ensure the Skye, Lochalsh and Wester Ross

Community Planning Partnership is able to build on the recent successful collaborative efforts across public sector partners, community organisations, and community volunteers.

### **Future areas for collaboration**

The Wester Ross, Strathpeffer and Lochalsh ward covers a significant landmass characterised by scattered settlements each with their own (very) local economies and weak linkages to neighbouring economies. In order to tackle its challenges and capitalise on opportunities it will be important for key stakeholders to establish consensus around the priorities for action. Aside from the long-term ambition to upgrade the core transport network (including finding a solution for the issues affecting the A890 at Stromeferry) local priorities include:

- Developing a tourism infrastructure plan for the Wester Ross area
- Developing an investment plan for Gairloch and the surrounding area
- Supporting efforts to increase the supply of affordable housing at Torridon, Applecross and Lochcarron

We look forward to working closely with local businesses, community groups, elected members, council officials and other partners to continue efforts to grow and develop the economy and communities in this part of the region.

**Alastair Nicolson**

**Interim Area Manager, Lochaber Skye and Wester Ross**

**Highlands and Islands Enterprise**

**30th September 2020**