

Agenda Item	11
Report No	HC/17/21

## HIGHLAND COUNCIL

**Committee:** Highland Council

**Date:** 24 June 2021

**Report Title:** Levelling Up Fund and Community Renewal Fund

**Report By:** Executive Chief Officer Infrastructure Environment & Economy

### 1. Purpose/Executive Summary

1.1 On 3 March the Chancellor set out details of the UK Levelling Up Fund and the UK Community Renewal Fund. This report sets out the context to the funds, details lobbying activity being carried out in preparation for the Shared Prosperity Fund, and outlines the work being undertaken to submit bids to both funds before the first deadline set by UK Government of 18 June 2021. It was agreed at Council on 13 May that recognising the very tight timescales in respect of bid preparation and submission, that the responsibility for the bid submission is delegated to the Executive Chief Officer – Infrastructure, Environment and Economy, in consultation with the Convener and Council Leader by the deadline of 18 June; and that a progress report would be presented to this meeting.

### 2. Recommendations

2.1 Members are asked to:-

- i. Homologate the bid submissions in respect of the Levelling Up Fund and the Community Renewal Fund as contained in **Appendix 1**;
- ii. Agree that work continues on the Portree/Fort William bid for the next round of the Levelling Up Fund application; and
- iii. Agree that further lobbying on the Council's future share of the Shared Prosperity Fund remains a top priority for the Council.

### 3. Implications

3.1 **Resource** – there are resource implications arising directly from the actions being proposed in terms of external analysis of metrics and of preparing bids to both funds set out in this report. It is expected that the Council will receive £125,000 to help build capacity in respect of the Levelling Up Fund and it is anticipated that this can be used retrospectively. However, Council is asked to be aware of other potential costs that are not currently budgeted for.

- 3.2 **Legal** – there are no legal implications at this time.
- 3.3 **Community (Equality, Poverty and Rural)** – One of the key benefits of these funding streams and the future Shared Prosperity Fund is to support the whole of the Highlands, and particularly the most rural and deprived areas. It is critical that efforts are made to lobby strongly on these issues and ensure a fair proportion of future funding to the area.
- 3.4 **Climate Change / Carbon Clever** – all bids will be fully assessed for their contribution to the Council’s stated targets in respect of the Climate and Ecological Emergency. A key output of the Inverness bid is a significant reduction in carbon footprint
- 3.5 **Risk** – There are a number of key risks relating to the bid preparation process, particularly around the timing that has been set by the UK Government. The timescales given are very short and whilst there will be future rounds of bidding, there is still an expectation that the initial funds must be spent by the same deadlines. There is also a clear risk that the bids will not be accepted, given that it is a competitive process that is being followed.
- 3.6 **Gaelic** – There are no Gaelic implications at this time.

#### **4. Introduction**

- 4.1 On 3 March the Chancellor set out details of the UK Levelling Up Fund and the UK Community Renewal Fund. This report sets out the context to the funds, details lobbying activity being carried out in preparation for the Shared Prosperity Fund, and outlines the bids submitted to both funds before the first deadline set by UK Government of 18 June 2021.

#### **5. UK Levelling Up Fund**

- 5.1 The £4.8 billion Levelling Up Fund will invest in infrastructure including regenerating town centres and high streets, upgrading local transport, and investing in cultural and heritage assets.

The Fund will achieve this by focusing on:-

- Town centre and high street regeneration, including remediation and repurposing of vacant and brownfield sites;
- Improving local transport connectivity and infrastructure, including upgrades to local bus, road and cycle infrastructure; and
- Maintaining and regenerating cultural, heritage and civic assets

- 5.2 It is a competitive fund which targets places across the UK with the most significant need, as measured by an index which considers the following the following place characteristics:-

- need for economic recovery and growth;
- need for improved transport connectivity; and
- need for regeneration

90% of funding available through the UK Levelling Up Fund is capital funding and 10% revenue.

5.3 Investment will be prioritised for local areas that are most in need of levelling up, with each local authority being given a category of 1, 2 or 3 against this criterion. Highland Council has been assessed as a category 3 area which is the lowest category in terms of need based on the metrics used.

## **6. UK Community Renewal Fund**

6.1 The other fund that was announced was the UK Community Renewal Fund which is the interim UK Shared Prosperity Fund (UKSPF) which will cover the period 2021/22. This fund will help inform the design of the UK Shared Prosperity through funding of one-year pilots.

6.2 The UK Community Renewal Fund aims to support people and communities most in need across the UK, creating opportunities to trial new approaches and innovative ideas at the local level. The UK Government will work directly with local partners, so that the people that know their places best are front and centre of the decisions that impact their areas and lives. This Fund will also provide capacity funding to help places prepare for the introduction of the UK Shared Prosperity Fund (although this will not be available to Highland Council as it does not form one of the top 100 Priority Places).

6.3 To provide flexibility, projects may align with one or deliver across several of the following investment priorities:-

- Investment in skills
- Investment for local business
- Investment in communities and place
- Supporting people into employment

The UK Community Renewal fund for 2021-22 is for £220 million of investment , 90% of the funding available is revenue funding and 10% capital.

6.4 To ensure the UK Community Renewal Fund funding reached the most in need, the UK Government identified 100 local authorities as priority places based on an index of economic resilience where projects that target investment at communities in need will be prioritised. Highland has not been included on the priority list.

## **7. Timescales for Submitting Bids to both Funds**

7.1 Bids had to be submitted by 18 June 2021 and Lead Authorities in Great Britain have had to submit shortlists of projects to UK Government for assessment. From late July 2021 onwards the UK Government will announce successful projects. There will be later bidding rounds, but the spend profiles are incredibly challenging for both funds, with the Levelling Up Funds having to be fully spent by 31 March 2024 (31 March 2025 for Transport Bids) and Community Renewal Funds must be spent by 31 March 2022.

7.2 Following the Members seminars held on 16 June 2021 the bids set out in this report (and detailed in **Appendix 1**) have been submitted to UK Government by the deadline of 18 June 2021. Members are asked to homologate the submission of these bids, and to offer their support.

## 8. External Lobbying Activity

- 8.1 Following the last Council meeting, the Council Leader has met with all three constituency Members of Parliament to update them on the work being undertaken and to seek their support for constituency and the transport bids.
- 8.2 The Council Leader wrote to both the Secretary of State for Scotland and the Chancellor on 10 March seeking clarity on how the metrics for the Levelling Up Fund (economic recovery, regeneration and improved connectivity) only gave Highland a category 3 rating and whether this could be reviewed. In respect of the UK Community Renewal Fund which is the interim UK Shared Prosperity Fund (UKSPF), the Leader asked how Highland was assessed in terms of productivity, household income, unemployment, skills and population density which resulted in the area not being included in the 100 priority places and whether there was any scope for this to be reviewed. No response has been received.
- 8.3 External partners have been engaged in preparation of the bids, across both public and private sectors. In addition, the Leader has met with the Leaders of opposition groups seeking support for further lobbying activity.
- 8.4 It has recently been confirmed from UK Government that a consultation will be held on proposals for the UK Shared Prosperity Fund (although the date has yet to be set for this). An external piece of work was prepared to assist with future lobbying activity. There is also work taking place at a national level which will also assist in this response.

## 9. Levelling Up Fund Bids

### 9.1 Transport Bid

- 9.2 As outlined in the report to Council on 13 May a significant bid relating to transport infrastructure will be an essential element for the Council area. Many of the large infrastructure projects in Highland (both those that are already funded and programmed, or those that are being promoted through the consultation on the Strategic Transport Projects Review to Scottish Government) are under the responsibility of Transport Scotland. Focus has therefore been placed on projects that are under the responsibility of the Council. There are significant challenges throughout Highland in terms of roads infrastructure in particular, and it was agreed that a compelling bid could be submitted for the North Coast 500 route, tied in with an expansion of Electric Vehicle Charging Points and improvements to tourism related infrastructure.
- 9.3 The Project that has been submitted is to develop the infrastructure needed to support the continued growth of the North Coast 500 (NC500) tourism route, and to ensure that the increase in tourist usage does not impact on access to the key employment sites that lie on the route.

It includes investments in:-

- **Road and bridge improvements:** Design improvements and essential repairs at 10 key sites along the 500-mile route, where challenges around congestion and safety have been identified. (£39.3 million, or 71% of the total project budget will be invested in these repairs and improvements).

- **Low carbon interventions:** projects to support a modal shift towards low carbon forms of transport on the NC500 route, including investments in electric vehicle (EV) charging stations, public transport interventions and active travel interventions. (£7.5 million, or 14% of the total project budget will be invested in this).
- **Tourism site accessibility improvements:** project to improve access to key tourism sites along the course of the route, designed to spread the economic benefits of the route more evenly across the North Highlands and to minimise the impacts of inappropriate visitor parking on the efficient flow of vehicles. This will include improved roadside parking, improvements to access routes to tourist attractions, and traffic flow monitoring equipment. (£8.2 million, or 15% of the total project budget will be invested in this).

9.4 The benefit of this project is that it will impact on much of the Council area, address key Council owned infrastructure assets and support the continued recovery and growth of tourism. All of the local Members of Parliament have been consulted on this bid and are happy to support.

#### 9.5 **Bid for the Caithness, Sutherland and Easter Ross Constituency**

9.6 Following discussions with the Caithness Area chair, business leaders and consultants a bid has been prepared focused on the economic benefits of improvements to Wick Harbour including infrastructure works on the Wick Harbour outer seawall which will attract further investment to the port, whilst also progressing a number of regeneration projects linking the harbour to the town centre .

9.7 The aim of this proposal is to create investment, employment opportunities and population growth in the town of Wick and in the wider Caithness area by:-

- **Increasing the capacity of Wick Harbour:** Installation of a High-Water Protection Gate (HWPG) at the entrance to the town's Outer Harbour. This gate, which could be lowered in the event that the RNLI lifeboat had to put to sea, would provide a means of sealing off the Outer and Inner Harbours and the town's Marina during periods where wave motion would disrupt operations. This will address the challenges caused by the harbours' exposure to swells when there is any wind with an easterly component, which can render them unusable during winter months. In doing so, it will create additional capacity at the harbour to provide operation & maintenance (O&M) support to vessels engaged in the installation of new offshore wind platforms in the Moray Firth and North Sea.
- **Developing new enabling infrastructure to stimulate town centre investment in Wick:** A package of interventions to develop the infrastructure needed to attract offshore wind O&M businesses to the town and encourage high skilled workers with O&M specialisms to move to the town. These will include:-
  - **Development of new industrial/commercial units:** acquiring two vacant buildings on The Shore, and converting these into industrial/commercial units suitable for use by offshore wind operation & maintenance businesses; and

- **Wick Street Design Project:** a community led project to identify opportunities to make Wick High Street more vibrant, more accessible and more welcoming. It includes the installation of Gateways to limit vehicular movement through the High Street and promote active travel; the redesign of the High Street/Bridge Street junction to ensure priority for pedestrians and cyclists; and public realm improvements on Market Square, the High Street, and the lanes leading to the High Street; including heritage features, street furniture and materials palettes.

## 9.8 **Bid for the Inverness, Nairn, Badenoch and Strathspey Constituency**

9.9 Focus on the criteria relating to regeneration and on the maintenance and regeneration of cultural, heritage and civic assets has helped identify a potential bid comprising of Inverness Castle, Northern Meeting Park and Bught Park facilities

9.10 The Inverness zero carbon cultural regeneration project is the delivery of three independent but complementary projects that combined, will drive the environmental, cultural and economic regeneration of Inverness. The projects, located along the river in the heart of the city, will provide transformational opportunities for both residents and visitors at a local, regional and national level.

9.11 The proposal is a response to a number of key challenges in the city including:-

- Ability to provide sustainable energy for city centre sites, in line with The Highland Council's commitment to delivering net zero city centres, ahead of UK and Scottish Government target schedules. Currently all sites utilise fossil fuel as energy source.
- Declining city centre - reduced footfall, activity and vibrancy within the town centre and the impact this has had on the local economy
- Key existing cultural and heritage sites of significance, either vacant or in extreme need of repair, at risk of becoming unused and dilapidated
- Need to provide cultural and heritage attractions that will maximise Inverness' location and position as the gateway to the Highlands, and the tourism driven economic benefits this will bring
- Lack of cultural event delivery infrastructure to support an active and vibrant cultural offer in the city for both residents and tourists
- Need to create more accessible spaces to support physical health and wellbeing.

9.12 Three related culture-led initiatives will deliver increased activity and vibrancy, increased opportunities for locals and visitors, increased footfall and spend. The integrated renewable energy sources will deliver economic benefits to local businesses and help meet the UK and Scottish Governments' zero-carbon targets. Collectively the projects will enhance Inverness as the destination of choice.

The proposal includes the following projects:-

**Inverness Castlehill** – located in the city centre, at the end of the main High Street, the redevelopment of Inverness Castle as a major visitor attraction, an outdoor events space and the delivery of an innovative waste-water energy centre, creating a must-visit area for both residents and visitors. Key interventions:-

- **Culture:** Redevelopment of Inverness Castle as a major visitor attraction providing a heritage experience, exhibition, small scale event and retail spaces. The innovative wastewater energy centre will also act as a complementary visitor facility in its own right;
- **Economy:** Bringing overnight and day visitors into the heart of the city, over 500,000 visitors annually, which is expected to double once future phases are in place; and
- **Net Zero:** Creation of the Castlehill Waste-Water Heat Recovery which will provide heat energy for commercial and residential areas in the city centre reducing reliance on fossil fuels.

**Northern Meeting Park** – a historic location and the largest green space in the heart of Inverness, West of the river and home to the city’s Highland Games since 1864. The facilities are currently in a poor state and require significant intervention to ensure continuity of provision to local communities. Key interventions:-

- **Culture:** Redevelopment of historic home of the Highland Games to allow a celebration of the Highland Games regionally and nationally, but principally to greatly increase the use of the venue as a multi-purpose community leisure and event space. Development of new pavilion and supporting event infrastructure to provide for indoor and outdoor areas for exhibition, events, education and performance and become the premium space for outdoor community events in the city complementing Eden Court;
- **Economy:** Maximising resident/community footfall to new cultural opportunities in the city centre; and
- **Net Zero:** Creation of an Energy Centre utilising a Ground Source Heat Ambient Loop which will potentially provide heat energy for adjacent properties of Eden Court, Inverness Cathedral and The Highland Council Headquarters.

**Bught Park** – is the epicentre of a suite of sports and leisure facilities in the city and the city’s home to Highland’s indigenous sport – Shinty. It is also the principal venue for commercially driven outdoor concerts and major events in the city. The facilities do not currently celebrate the historic and heritage importance of the site, are in a poor state of repair and lack the infrastructure required to drive footfall and revenue. Key interventions:-

- **Culture:** Redevelopment of the city’s historic home of shinty through a refurbished grandstand (including improved changing and spectator facilities for a range of local sports clubs and teams), a new interactive museum of shinty and additional event infrastructure to facilitate more large-scale outdoor events;
- **Economy:** Increasing range and number of annual major events in the city; and
- **Net Zero:** Creation of a Ground Source Ambient Loop which will provide heat energy to a range of adjacent properties

9.13 At a wider level, these proposals encapsulate the Spirit of the Highlands and will put Inverness on the map from a tourist perspective; the projects, filled with unique heritage and culture, will position Inverness as the gateway for Highland tourism, supporting economic growth throughout the Highland area- raising awareness of the Highlands internationally, extend visitor stay and increase visitor spend in the area, whilst also providing opportunity to link historic, cultural and natural attractions across the Highlands to everyone’s benefit.

9.14 The Inverness zero carbon cultural regeneration project is a major cultural and environmental regeneration project in the heart of Inverness. Three related culture-led initiatives will generate increased footfall and spend, while their integrated renewable energy sources will deliver economic benefits to local businesses and help meet the UK and Scottish Governments' zero-carbon targets well ahead of schedule. Green River integrates Culture, the Economy; and Net Zero.

#### 9.15 **Bid for the Ross, Skye and Lochaber Constituency**

9.16 As reported to the last Council meeting, the intention was to submit a bid for all of the Highland constituencies, with the focus of this one being a joint bid for projects in Fort William and Portree. Unfortunately given the time constraints and the work required, it was not possible to prepare a comprehensive and credible bid for this area. Discussions have been held with local stakeholders in both areas, and work will continue to develop a bid for the later round, which is expected to be in the autumn of this year.

### 10. **Community Renewal Funds**

- 10.1 As part of the process for the Community Renewal Fund, the UK Government applied their own metrics to identify priority areas. Highland was not classed as a priority area. This meant that Highland would not receive £20,000 capacity funding towards the coordination and local assessment of bids. As a non-priority area, it also meant that any assessments needed to meet the higher threshold score of 80% across the criteria to be shortlisted by UK Government. Priority areas have a much lower scoring threshold (50%) and are expected to form the majority of successful applicants. Any risks for selected projects will be the responsibility of Highland Council in terms of finance, monitoring and evaluation.
- 10.2 On 30 April 2021 Highland Council advertised the UK Community Renewal Fund with a deadline of 14 May. In total there were 17 bids (14 external & 3 internal) received from across the Highland Council area with a total value of £3,537,111. Highland Council's LEADER Team were tasked with assessing the bids which consisted of two stages. Stage 1 was the Gateway criteria and 11 out of 17 bids passed this stage before moving onto Stage 2 which scored against strategic fit and deliverability. From there a mark was allocated and converted into a percentage score with those projects scoring 80% or over submitted as the strongest project bids. The detail of the successful bids are indicated in **Appendix 2**.
- 10.3 A decision from the UK Government on which projects have been successful is expected from late July onwards which will allow for a maximum of 8 months for projects to deliver and spend as outlined in their bids. There will be a requirement for Highland Council to carry out some form of monitoring and evaluation of the successful projects but guidance on the requirements around this is still awaited.

### 11. **Conclusion**

- 11.1 It is anticipated that we will know the results of the bids in Autumn this year and the 2<sup>nd</sup> round of bids will have to be submitted by October. A further report on the Ross, Skye & Lochaber bid will be presented to members in September along with feedback on the submitted bid and progress on the prosperity fund lobbying.



Designation: Executive Chief Officer Infrastructure, Environment & Economy

Date: 14 June 2021

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Gordon Morrison, Business Manager  
Allan Maguire, Head of Development and Regeneration  
Angus Macleod, Brexit & EU Policy Coordinator  
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The Rt Hon Rishi Sunak MP  
Chancellor of the Exchequer  
HM Treasury  
The Correspondence and Enquiry Unit  
1 Horse Guards Road  
London  
SW1A 2HQ  
United Kingdom

MD/GM  
18 June 2021

Dear Chancellor

### **Levelling Up Fund – Bids from Highland Council**

I am delighted to formally submit three bids to the Levelling Up Fund comprising a bids for the Inverness, Nairn, Badenoch and Strathspey Constituency, the Caithness, Sutherland and Easter Ross Constituency and a Transport bid.

These proposals being put forward by the Council are imaginative, ambitious and sustainable.

The project being submitted for the Inverness, Nairn, Badenoch and Strathspey constituency is an Inverness zero carbon cultural regeneration project which will deliver three independent but complementary projects that combined, will drive the environmental, cultural and economic regeneration of the city of Inverness. The projects, located along the river in the heart of the city, will provide transformational opportunities for both residents and visitors at a local, national and international level.

These three related culture-led initiatives will deliver increased activity and vibrancy, increased opportunities for locals and visitors, increased footfall and spend. The integrated renewable energy sources will deliver economic benefits to local businesses and help meet the UK and Scottish Governments' zero-carbon targets. Collectively the projects will enhance Inverness as the destination of choice. They comprise

- **Inverness Castlehill** – located in the city centre, at the end of the main High Street, the redevelopment of Inverness Castle as a major visitor attraction, an outdoor events space and the delivery of an innovative waste-water energy centre, creating a must-visit area for both residents and visitors.

**Councillor Trish Robertson  
Chair of the Economy and Infrastructure Committee**

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- **Northern Meeting Park** – a historic location and the largest green space in the heart of Inverness which will see the Redevelopment of historic home of the Highland Games to allow a celebration of the Highland Games regionally and nationally, but principally to greatly increase the use of the venue as a multi-purpose community leisure and event space.
- **Bught Park** – Redevelopment of the historic home of shinty through a refurbished grandstand (including improved changing and spectator facilities for a range of local sports clubs and teams), a new interactive museum of shinty and additional event infrastructure to facilitate more large-scale outdoor events to the Highlands of Scotland.

At a wider level, these proposals encapsulate the Spirit of the Highlands and will put Inverness firmly on the map from a tourist perspective; the projects, filled with unique heritage and culture, will position Inverness as the gateway for Highland tourism, supporting economic growth throughout the Highland area- raising awareness of the Highlands internationally, extend visitor stay and increase visitor spend in the area, whilst also providing opportunity to link historic, cultural and natural attractions across the Highlands to everyone's benefit.

The bid for the Caithness, Sutherland and Easter Ross Constituency is focused on the economic benefits of improvements to Wick harbour including, infrastructure works on the Wick Harbour outer seawall which will attract further investment to the port, whilst also progressing a number of regeneration projects linking the harbour to Wick town centre.

The aim of this proposal is to create investment, employment opportunities and population growth in the town of Wick and in the wider Caithness area by:

- **Increasing the capacity of Wick Harbour:** Installation of a High-Water Protection Gate (HWPG) at the entrance to the town's Outer Harbour. This gate would provide a means of sealing off the Outer and Inner Harbours and the town's Marina during periods where wave motion would disrupt operations. In doing so, it will create additional capacity at the harbour to provide operation & maintenance support to vessels engaged in the installation of new offshore wind platforms in the Moray Firth and North Sea.
- **Developing new enabling infrastructure to stimulate town centre investment in Wick:** A package of interventions to develop the infrastructure needed to attract offshore wind operation & maintenance businesses to the town and encourage high skilled workers with operation & maintenance specialisms to move to the town

The Transport Bid seeks to sustainably develop the internationally iconic North Coast 500 route which will include an expansion of Electric vehicle Charging Points and improvements to tourism related infrastructure. The project will develop the infrastructure needed to support the continued sustainable growth of the North Coast 500 tourism route, and to ensure that the increase in tourist usage does not impact on access to the key employment sites that lie on the route. It includes investments in:

- **Road and bridge improvements:** Design improvements and essential repairs at 10 key sites along the 500-mile route, where challenges around congestion and safety have been identified. (£39.3 million, or 71% of the total project budget will be invested in these repairs and improvements).

Councillor Trish Robertson  
Chair of the Economy and Infrastructure Committee

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- **Low carbon interventions:** projects to support a modal shift towards low carbon forms of transport on the NC500 route, including investments in electronic vehicle (EV) charging stations, public transport interventions and active travel interventions. (£7.5 million, or 14% of the total project budget will be invested in this).
- **Tourism site accessibility improvements:** project to improve access to key tourism sites along the course of the route, designed to spread the economic benefits of the route more evenly across the North Highlands and to minimise the impacts of inappropriate visitor parking on the efficient flow of vehicles. This will include improved roadside parking, improvements to access routes to tourist attractions, and traffic flow monitoring equipment. (£8.2 million, or 15% of the total project budget will be invested in this).

These projects innovatively combine cultural, economic and net zero ambitions which would deliver significant benefits not just to the Highlands, but also to the wider UK.

I do hope that you will give favourable consideration to these bids from the Highlands as they provide a clearly demonstrable way for the UK Government to show its commitment to levelling up the whole of the UK.

Yours sincerely



**Councillor Trish Robertson**  
**Chair of Economy and Infrastructure Committee**



## Levelling Up Fund Application Form

This form is for bidding entities, applying for funding from the Levelling Up Fund (LUF) across the UK. Prior to completing the application form, applicants should read the [LUF Technical Note](#).

The Levelling Up Fund Prospectus is available [here](#).

The level of detail you provide in the Application Form should be in proportion to the amount of funding that you are requesting. For example, bids for more than £10m should provide considerably more information than bids for less than £10m.

Specifically, for larger transport projects requesting between £20m and £50m, bidding entities may submit the Application Form or if available an Outline Business Case (OBC) or Full Business Case (FBC). Further detail on requirements for larger transport projects is provided in the [Technical Note](#).

One application form should be completed per bid.

## **Applicant & Bid Information**

**Local authority name / Applicant name(s)\*:** [The Highland Council](#)

*\*If the bid is a joint bid, please enter the names of all participating local authorities / organisations and specify the lead authority*

**Bid Manager Name and position:**

[Jason Kelman, Principal Project Manager](#)

*Name and position of officer with day-to-day responsibility for delivering the proposed scheme.*

**Contact telephone number:**    **Email address:**

**Postal address:**    [The Highland Council Headquarters, Glenurquhart Road, Inverness, IV3 5NX](#)

**Nominated Local Authority Single Point of Contact:** [Allan Maguire, Head of Development and Regeneration](#)

**Senior Responsible Officer contact details:**

[Malcolm Macleod, Executive Chief Officer – Infrastructure, Environment and Economy](#)

**Chief Finance Officer contact details:** [Liz Denovan, Finance & Resources](#)

**Country:**

- England
- Scotland
- Wales
- Northern Ireland

Please provide the name of any consultancy companies involved in the preparation of the bid:

[IPW... - strategic and economic support](#)  
[Harley Haddow – multi disciplinary engineering services](#)  
[LDN Architects – project architects](#)  
[Creative Services \(Scotland\) Ltd – cultural consultants advisors](#)

For bids from **Northern Ireland applicants** please confirm type of organisation

- |   |   |
|---|---|
| <input type="checkbox"/> Northern Ireland Executive | <input type="checkbox"/> Third Sector   |
| <input type="checkbox"/> Public Sector Body         | <input type="checkbox"/> Private Sector |
| <input type="checkbox"/> District Council           | <b>Other (please state)</b>             |

## **PART 1 GATEWAY CRITERIA**

Failure to meet the criteria below will result in an application not being taken forward in this funding round

<p><b>1a Gateway Criteria for <u>all</u> bids</b></p> <p>Please tick the box to confirm that your bid includes plans for some LUF expenditure in 2021-22</p> <p><i>Please ensure that you evidenced this in the financial case / profile.</i></p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p><b>1b Gateway Criteria for private and third sector organisations in Northern Ireland bids only</b></p> <p>(i) Please confirm that you have attached last two years of audited accounts.</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p>(ii) <b>Northern Ireland bids only</b> Please provide evidence of the delivery team having experience of delivering two capital projects of similar size and scale in the last five years. (Limit 250 words)</p>	
<p></p>	



## PART 2 EQUALITY AND DIVERSITY ANALYSIS

**2a Please describe how equalities impacts of your proposal have been considered, the relevant affected groups based on protected characteristics, and any measures you propose to implement in response to these impacts. (500 words) 499**

The Council aims to promote a fairer, inclusive Highland where everyone can feel part of the Highland community and plans to make improvements through developing key equality outcomes for staff and customers. It has developed a set of positive outcomes that impact on people on the basis of disability, race, gender reassignment, age, marriage and civil partnership, pregnancy and maternity, religion or belief, sex, and sexual orientation.

Equalities impacts of each of the proposals have been considered since project inception with the Council Policy being a key guide alongside consideration of any disproportionate impacts on equality based on the protected characteristics.

An Equalities Impact Assessment (EQIA) has been undertaken for each of the projects (see Appendix 2.a.i). Each project has the potential to significantly improve disabled access to key facilities, used by locals and visitors and to ensure they provide access to all. There are also opportunities to promote equality through delivering services in inclusive and welcoming environments.

To support the assessment, for each of the projects:

- All previous feasibility/project studies/ project workshop and consultation notes have been reviewed with a focus on any issues relating to the protected characteristics being raised as concerns.
- The EQIA has been discussed with the Council's Head of Policy and Reform and Principal Policy Officer (Equalities) and High Life Highland, who will be responsible for the management of the facilities and are committed to promoting equality of opportunity for all. Ref: HLH's Equal Opportunities Policy, Company Role Model Behaviours Framework and Staff Code of Conduct (see Appendix 2.a.ii).

**The conclusion is that the projects have the potential to significantly improve disabled access and deliver culture and sporting facilities in an inclusive and welcoming environment. There is no disproportionately negative impact anticipated on any of the protected characteristic groups.**

Key points to note from the EQIA assessments:

- The Castle is the most advanced project with a detailed EQIA undertaken, focusing on a) the design and b) the operation of the facilities. The Design and Access Statement (available on request) highlights a comprehensive strategy to substantially improve universal access within and around the buildings. It considers 'access' in the global sense, taking cognisance of all impairments and disabilities which can affect mobility, sight, sound, touch and cognitive function. This extends to inclusivity of all age, ethnicity and gender groups. The aim is to make as much of the existing buildings and external landscape universally accessible as possible. Nairn Access Panel were invited to review plans and visit the site to provide input into the design development; their feedback report was a) very positive and b) has had a key influence on the design development.

- For Northern Meeting Park and Bught Park, the key focus will be ensuring that these facilities provide safe community spaces, ensuring the infrastructure and operation maximises attendance and participation from all groups. The design and operational phases will be focused on actively reducing inequality and there will be continued engagement and consultation to ensure an inclusive approach, engaging with equality groups.



**When authorities submit a bid for funding to the UKG, as part of the Government's commitment to greater openness in the public sector under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004, they must also publish a version excluding any commercially sensitive information on their own website within five working days of the announcement of successful bids by UKG. UKG reserves the right to deem the bid as non-compliant if this is not adhered to.**

**Please specify the weblink where this bid will be published:**

<https://www.highland.gov.uk/>

## PART 3 BID SUMMARY

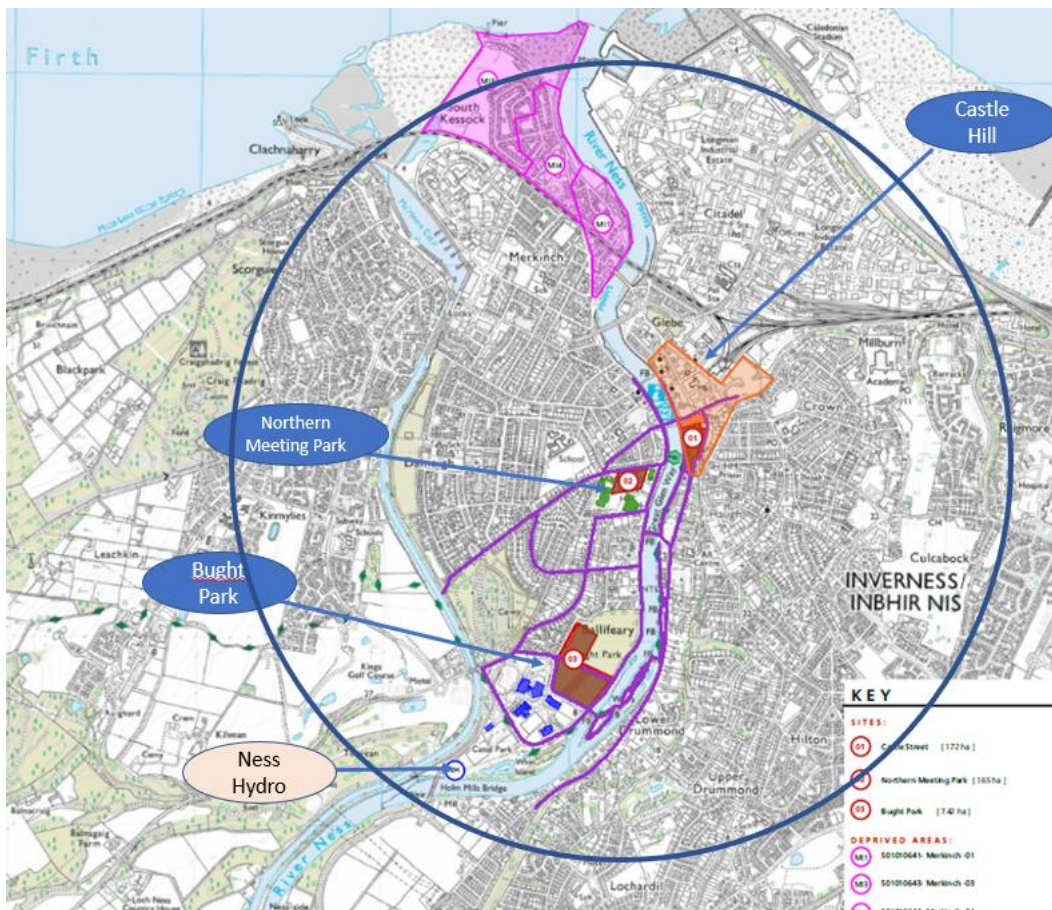
**3a Please specify the type of bid you are submitting**

**Single Bid (one project)**

**Package Bid (up to 3 multiple complimentary projects)**

**3b Please provide an overview of the bid proposal. Where bids have multiple components (package bids) you should clearly explain how the component elements are aligned with each other and represent a coherent set of interventions (Limit 500 words). 498**

Inverness Zero Carbon Cultural Regeneration combines three independent, complementary projects that will drive the environmental, cultural and economic regeneration of Inverness. The projects, located along the river in the heart of the city, in areas of deprivation, will provide transformational opportunities for both residents and visitors at a local, regional and national level.



Three related culture-led initiatives with integrated renewable energy sources will deliver economic benefits to local businesses and help meet the Governments' zero-carbon targets ahead of schedule.

**Project 1: Inverness Castle Hill** – in the city centre, creating a must-visit area for both residents and visitors. Key interventions:

- **Culture:** Redevelopment of Inverness Castle as a major visitor attraction. The introduction of an innovative waste water heat recovery energy centre, also a visitor facility in its own right.
- **Economy:** Bringing overnight and day visitors into the heart of the city, over 500,000 visitors annually. Increased business activity and jobs, and private sector investment into the city.
- **Net Zero:** Inverness Energy Centre 1: Waste-Water Heat Recovery providing heat energy for the Castle and scalable to supply other adjacent properties.



**Project 2: Northern Meeting Park** – historic location and largest green space in the heart of Inverness, home to the city’s Highland Games since 1864. The facilities require significant intervention to ensure continuity of provision to local communities:

- **Culture:** Redevelopment of the historic home of the Highland Games to allow celebration of the Games regionally and nationally. Development of new pavilion and event infrastructure (complementing Scotland’s largest Arts Centre, Eden Court directly adjacent to the site) up to c4,000 capacity.
- **Economy:** Maximising resident/community footfall to new cultural opportunities in the city centre; resulting in over 70,000 visitors annually.
- **Net Zero:** Inverness Energy Centre 2: Ground Source Heat Ambient Loop providing heat energy for Northern Park Grandstand and Pavilion and scalable to supply other adjacent properties.



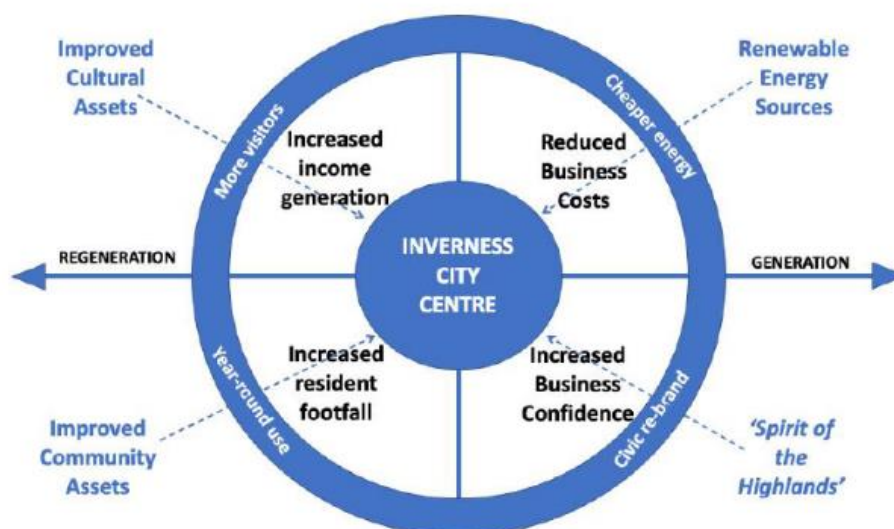
**Image: Northern Meeting Park**

**Project 3: Bught Park Stadium Complex** – centre of a suite of sports and leisure facilities and the City’s home to the Highland’s indigenous sport – shinty. Currently the principal venue for commercially driven outdoor concerts and major events in the city. The facilities lack the infrastructure required to drive footfall and revenue and are in danger of becoming unavailable for use.



- **Culture:** Redevelop historic home of shinty with refurbished grandstand (incl. improved changing, spectator facilities), an interactive museum of shinty, community space and event infrastructure to facilitate more large-scale outdoor events (up to 20,000 capacity).
- **Economy:** Increasing range and number of annual major events in the city, resulting in over 180,000 visitors annually.
- **Net Zero:** Inverness Energy Centre 3: Ground Source Ambient Loop providing heat energy to the Grandstand, Museum of Shinty, welfare facilities & scalable to supply other adjacent properties.

The proposal presents three strategically aligned, complementary projects that significantly impact the regeneration and cultural offer in the city.



Additional documents included in appendix 3.b.i and 3.b.ii provide further narrative on the combined proposition, from the initial concept stages (The Green River). All projects are ready to

start in 21/22.

<b>3c Please set out the value of capital grant being requested from UK Government (UKG) (£). This should align with the financial case:</b>	<b>£19,856,253</b>
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<b>3d Please specify the proportion of funding requested for each of the Fund's three investment themes</b>	<b>Regeneration and town centre</b>	<b>60%</b>
	<b>Cultural</b>	<b>40%</b>
	<b>Transport</b>	<b>0%</b>

## PART 4 STRATEGIC FIT

### 4.1 Member of Parliament Endorsement (GB Only)

See technical note section 5 for Role of MP in bidding and Table 1 for further guidance.

<b>4.1a Have any MPs formally endorsed this bid? If so, confirm name and constituency. Please ensure you have attached the MP's endorsement letter.</b>	<input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>
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Drew Hendry, Member of Parliament for Inverness, Nairn, Badenoch and Strathspey has confirmed his priority support for the Inverness Zero Carbon Cultural Regeneration proposal. Drew's endorsement letter is included in Appendix 4.1.a.i.

### 4.2 Stakeholder Engagement and Support

See technical note Table 1 for further guidance.

**4.2a Describe what engagement you have undertaken with local stakeholders and the community (communities, civic society, private sector and local businesses) to inform your bid and what support you have from them. (Limit 500 words) 500**

There has been significant engagement over the last 7 years related to the cultural needs of the city. In addition, bespoke consultation has been undertaken for the three individual projects.

A stakeholder engagement plan details the aims, methods and logistics for communication with each group. A detailed calendar of engagement is prepared on a regular basis, currently each quarter.

Consultees have included:

- Local resident and stakeholder public consultation through an exhibition, associated web consultation and e-flyer to existing mailing lists to ascertain the views of the public on proposals for the future use of Castle Hill area. A questionnaire was also distributed, 302 responses were received.
- Local stakeholders for Northern Meeting Park e.g. Ballifearay Community Council, Inverness Cricket Club, Eden Court theatre, Inverness Heritage Trust
- Local stakeholders for Bught Park via telephone, video conference consultations and workshop with 12 organisations. This included Ballifearay Community Council, Camanachd Association, High Life Highland, Highland Hockey, Highland Wildcats, Inverness District FA, Inverness Shinty Club, LCC Live Events Services Ltd, and The Highland Council. Additional targeted consultations were undertaken with the Scottish Football Association, sportscotland, and Tennis Scotland.
- Key stakeholders – [Carbon Clever Pledge](#) illustrates local businesses are behind the Council taking action regarding net zero objectives
- Key stakeholders - from across a mix of arts, cultural production, artist and craft networks, university, sustainability, architecture, regeneration and town centre management.
- Key stakeholders – national agencies, agencies and organisations e.g. High Life Highland, Sports Scotland, Historic Environment Scotland
- Key stakeholders - business e.g. Inverness Hotels Association, Highland Clan Partnership Group, Inverness Civic Trust, Association of Scottish Visitor Attractions, Inverness Community Councils Forum, Federation of Small Businesses, Inverness Business Improvement District



Consultation has been wide ranging, utilising a range of methods including workshops, conferences, exhibitions, questionnaires and web consultations.

Consultees were identified by the Council and High Life Highland (across all departments) as those that may be impacted the most by any redevelopment and therefore were a focus to ensure they had a voice and a platform to be heard as otherwise some of these stakeholders may not normally be engaged in such matters.

Key messages emerging from the consultation are set out below:

- the desire to encourage more people to stay in Inverness, rather than use it merely as a springboard to explore the Highlands
- needs to be affordable for users and tenants, with a bias towards free or low cost entry
- focus on encouraging communities/young people to make better use of spaces/assets
- make more and better use of culture as a tool for change in deprived communities, helping to improve people's sense of self-worth
- destination factor - needs to be attractive to tourists and residents alike, be multigenerational and be a part of the holistic regeneration in Inverness
- make better use of schools, halls and other public/community assets for cultural purposes
- need to raise the number and quality of music / entertainment touring productions.

The stakeholder engagement has been overwhelmingly positive, and the key messages have informed the proposals to date and will continue to do so.

**4.2b Are any aspects of your proposal controversial or not supported by the whole community? Please provide a brief summary, including any campaigns or particular groups in support or opposition? (Limit 250 words) 171**

There has been significant consultation as outlined above, which has been overwhelmingly positive, recognising the need for investment and the anticipated benefits.

There are no aspects of the proposal considered controversial, that have been raised by, or have emerged from, consultation with key strategic and community stakeholders, nor the general public. The project team are not aware of any specific groups in opposition to either the Inverness Zero Carbon Cultural Regeneration proposal or any of the individual projects. The local Community Council is supportive in principle, as evidenced, albeit with a number of qualifications in respect of options for future use and resolution to existing traffic management issues (which will be progressed as part of any redevelopment).

There is significant support for the projects at a local level; evidenced by a number of letters of support received as included in Appendix 4.2.b.i – iv:

- Northern Meeting Park User Group
- Camanachd Association
- Inverness Shinty Club
- Northern Counties Cricket Club
- Drew Hendry, MP for Inverness, Nairn, Badenoch and Strathspey (Priority Support)
- Ballifeary Community Council

**4.2c Where the bidding local authority does not have the statutory responsibility for the delivery of projects, have you appended a letter from the responsible authority or body confirming their support?**

- Yes  
 No  
 N/A

For Northern Ireland transport bids, have you appended a letter of support from the relevant district council

- Yes  
 No  
 N/A



## 4.3 The Case for Investment

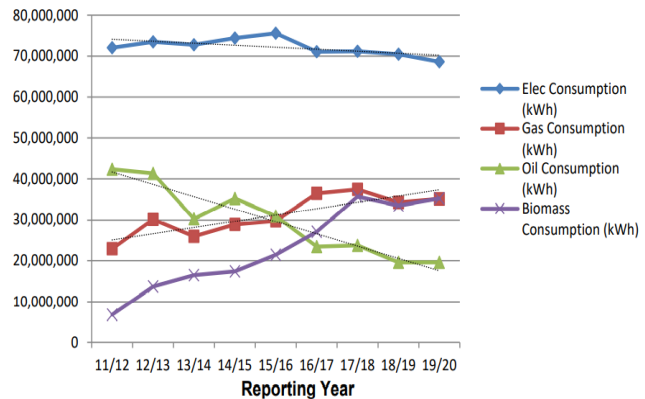
See technical note Table 1 for further guidance.

### 4.3a Please provide evidence of the local challenges/barriers to growth and context that the bid is seeking to respond to. (Limit 500 words) 499

Key challenges/barriers to growth in Inverness include:

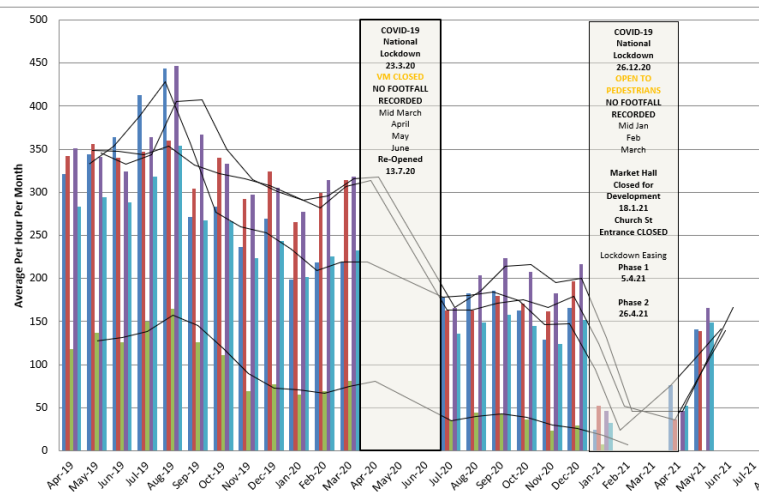
- Ability to provide sustainable/renewable energy for city centre sites, in line with The Council's Carbon Clever commitment to carbon neutral by 2025; evidenced through the Council's:
  - Carbon management plan target of reducing corporate emissions by 3% per annum
  - Top priority (2019-20) to develop an energy strategy and action plan. Energy consumption remains the Council's biggest single source of carbon emissions (75% of the total carbon footprint), costing the organisation £11.5m annually.
  - Limited renewable energy grid capacity across the region.

Energy Consumption 2011/12 - 2019/20



- Declining city centre - reduced footfall, activity and vibrancy within the town centre and the impact this has had on the local economy; evidenced through:

- 'Inverness City Centre synopsis' (Graham + Sibbald)
- 335,000+ sqft retail currently empty
- Average hourly footfall decline (ref chart)



- Key cultural and heritage sites, vacant or in extremely poor condition, potential to become unused and dilapidated. The facilities are no longer fit-for-purpose, accessible, inclusive and limit usage; evidenced through:
  - Castle – vacated by the SCTS in July 2020, requires an alternative use
  - Property Inspection Report on Bught Park (1950's build), considered areas of the facility fall short of current standards. Bught Park maintenance costs increased by 68% in 10 years
  - 2021 condition survey found the facilities at NMP are in very poor condition requiring significant investment. NMP maintenance costs increased by 47% in 10 years.
- Lack of outdoor event delivery infrastructure to support a vibrant cultural offer in the city; evidenced through consultation with HLH (responsible for event delivery in the city), who identified the following barriers:
  - high costs of temporary infrastructure means events are uneconomic
  - increased set up time is costly, unattractive to artists and disruptive to other park users

- seasonal challenges for outdoor events due to lack of hardstanding areas.
- Loss of facilities that are key to physical activity, health and well-being; providing green space and inclusive leisure opportunities for all, particularly important for areas of deprivation.
  - Within a mile of the project locations, are eight datazones in the 15% most deprived, of which three<sup>1</sup> are among the 5% most deprived, one<sup>2</sup> ranked 8th (out of 6976) most deprived. The parks are the closest significant areas of green space to these zones and will encourage more local usage, supporting the aims of green health<sup>3</sup>.
  - National/regional strategies promote high-quality and fit-for-purpose community facilities, to enable improvements to economic, social, health and educational outcomes
  - Accessible sports facilities in the right places are key to encouraging more people to have an active life.

#### **4.3b Explain why Government investment is needed (what is the market failure)? (Limit 250 words) 250**

There are a number of potential market failures that provide a strong rationale for the proposed investment to support Inverness Castle Hill, the NMP and Bught Park:

- Positive externalities– given the abnormal costs associated with developing the Castle (thus protecting a heritage asset) and public parks the private sector alone may not be fully able to internalise the benefits from repurposing the facility. Further in the case of cultural projects and visitor attractions, investment provides employment opportunities for local residents.
- Imperfect information– by promoting the City Region’s cultural offer the Castle and parks will bring visitors to the city who may otherwise not visit due to a lack of awareness of the area’s culture and heritage.
- Merit goods– Certain cultural projects and leisure attractions can be considered to be a merit good, as they bring social and economic benefits to an area and individuals but would not be provided by the private sector in the absence of support.
- Equity/distributional failure- this can occur when the market has failed to provide opportunities equitably across all social groups and geographical areas. Cultural services provided in disadvantaged locations could be justified on the grounds of equity. This is of particular importance for investments in Northern Meeting Park and Bught Park.

The proposals for the redevelopment of the three cultural assets with an integrated renewable energy system and public realm investment will act as a catalyst for further development, lifting of low market values that act as a key barrier to private sector investment.

<sup>1</sup> (S01010641, S01010643, S01010644)

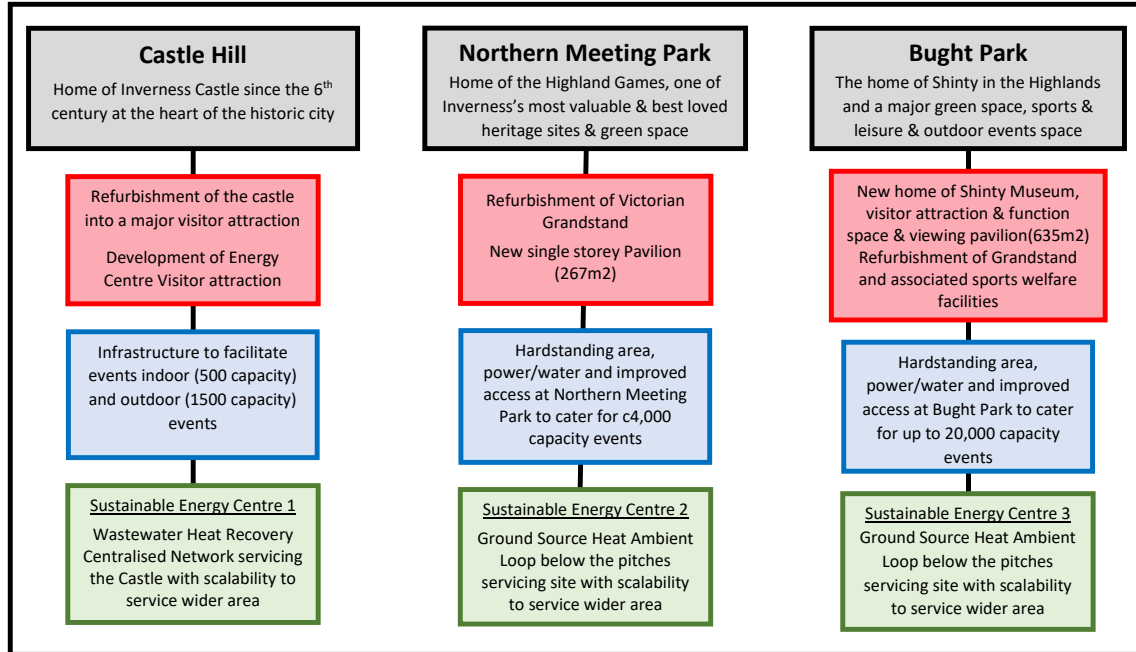
<sup>2</sup> (S01010644)

<sup>3</sup> Highland is one of four areas in Scotland where Green Health Partnerships are being piloted to demonstrate how better cross-sectoral co-ordination can increase physical activity and improve mental health through engagement with the natural environment. These partnerships bring together the health, social care, environment, leisure, sport and active travel sectors in order to make more use of local green space as a health-promoting resource and tackle health inequalities.

**4.3c Please set out a clear explanation on what you are proposing to invest in and why the proposed interventions in the bid will address those challenges and barriers with evidence to support that explanation. As part of this, we would expect to understand the rationale for the location. (Limit 500 words)**

**465 words**

Proposed investments are clearly illustrated and explained further below.



- Addressing the Council's high energy consumption by generating more of its own renewable electricity** to supply Council buildings, with the potential to scale this to other commercial buildings in close proximity. The figure below evidences the outcomes and carbon savings.

	Castle Hill	Northern Park	Bught Park
<b>Energy Strategy</b>	Wastewater Heat Recovery	Ground Source Ambient Loop	Ground Source Ambient Loop
<b>Energy Source Location</b>	Wastewater/ sewer in Inverness City Centre (Castle Street)	Boreholes below Northern Park	Boreholes below southern section of Bught Park Pitches
<b>Heat Transfer Plant Type</b>	Centralised Heat Pump and District Heat Network	De-centralised heat pumps (in each building) and Ambient Loop Network	De-centralised heat pumps (in each building) and Ambient Loop Network
<b>Energy Centre Location</b>	Castle Street	Within Each Building	Within Each Building
<b>Buildings Served</b>	Inverness Castle	Northern Park Grandstand Proposed new pavilion	Bught Park Grandstand Home of Shinty
<b>Approximate Peak Load</b>	350 kW	85kW	110kW
<b>Carbon Savings</b>	120 Tonnes CO <sub>2</sub> /year	6.5 Tonnes CO <sub>2</sub> /year	19.35 Tonnes CO <sub>2</sub> /year
<b>Baseline Annual Gas Energy Consumption (kWh)*</b>	872,000kWh	50,000kWh	140,750kWh
<b>Annual Electrical Energy Consumption (kWh)</b>	249,000kWh	15,750kWh	44,500kWh
<b>% Carbon Savings</b>	67%	64%	65%
<b>Approximate MEP Capital Cost</b>	£1.8m (Phase 1 Inverness Castle Load only) £3.2 (Phase 2 Wider Heat Network)	£700k	£800k

\*Gas boiler system used as base case to demonstrate energy and CO<sub>2</sub> savings

## 2. Capital investment in key heritage, cultural and leisure assets (two of which are listed)<sup>4</sup>:

- Refurbishment of Inverness Castle (1,924m<sup>2</sup>) and enhanced external public realm
- NMP: Refurbishment of Victorian Grandstand (628m<sup>2</sup>), development of new Pavilion including multi-use function room (267m<sup>2</sup>)
- BP: Refurbishment of Grandstand and changing facilities (707m<sup>2</sup>), development of a heritage museum/Community Space celebrating the City's Home of Shinty and providing contemporary interpretation, event and function spaces (635m<sup>2</sup>).



Heritage Museum of Shinty, Bught Park



New Pavilion & function room, NMP



Inverness Castle redevelopment into a major visitor attraction for the Highlands

These interventions will address:

- retention of strategic assets either out of use or will be without investment; improving quality, increasing revenue/ decreasing expenditure providing long-term financial sustainability.
- delivery of improved green spaces; accessible, safe, fit-for-purpose spaces that will impact on local people and their communities.
- increasing activities and opportunities in areas of deprivation. All projects are in close proximity to areas of deprivation as set out in 4.3a. Both Parks are the closest significant areas of green space to the datazones highlighted. People in these areas have significantly fewer opportunities, resources and poorer life chances than most other people across Scotland.
- City centre regeneration through increased activity close to the city centre.

All buildings will be designed to the highest sustainability standards, with an empirical whole life cycle analysis to ensure the long-term environmental impact is minimised.

## 3. Capital investment to provide infrastructure for 3 complementary outdoor event spaces:

- Infrastructure for indoor (500 capacity) and outdoor (1500 capacity) at Castle Hill
- Hardstanding area, power/water and improved access at:
  - NMP to cater for c4,000 capacity events
  - BP to cater for up to 20,000 capacity events.

The economic benefit of hosting events is well recognised, through attendees making use of restaurants, bars, retail and hospitality close to venues; or turning their visit into a short City-break, staying in a local hotel; helping to address declining city centre footfall and vibrancy.

<sup>4</sup> Floor Plans and architectural images are included in Appendix 4.3.c.

- Red Hot Highland Fling - expected to generate c£350k for the city economy<sup>5</sup>
- The Royal National Mod due to be held in Oct 2020 (previously held in 2014) estimated £3.5m for the city economy.

This illustrates the importance of events as an attraction and income generator for local businesses and the city. Events and festivals can be a powerful means of promoting community development and wellbeing, there is some evidence to suggest that participants who have positive experiences at festivals and events are likely to increase their overall sense of happiness and consequently their subjective wellbeing.

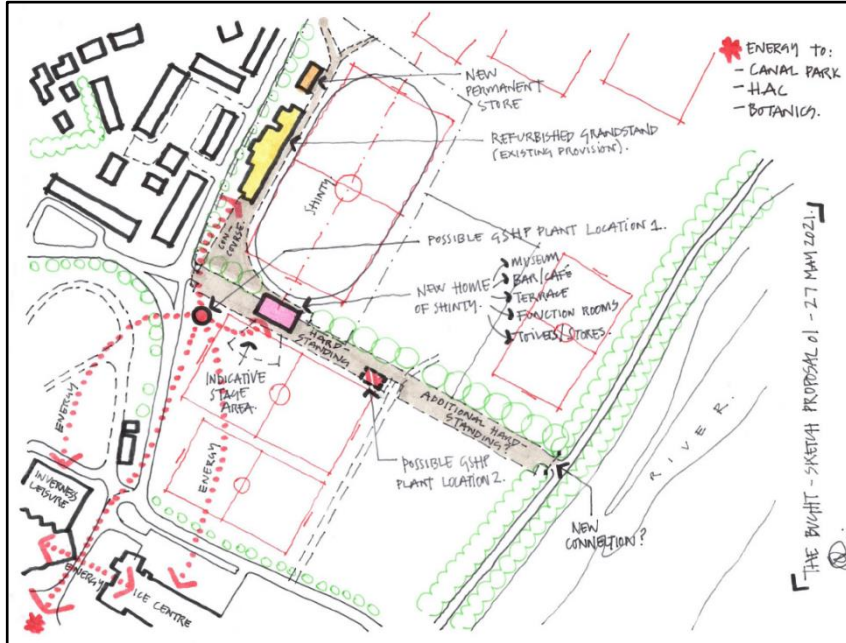


Image: Bught Park Sketch Proposal as an illustration of the events infrastructure

**4.3d For Transport Bids: Have you provided an Option Assessment Report (OAR)**

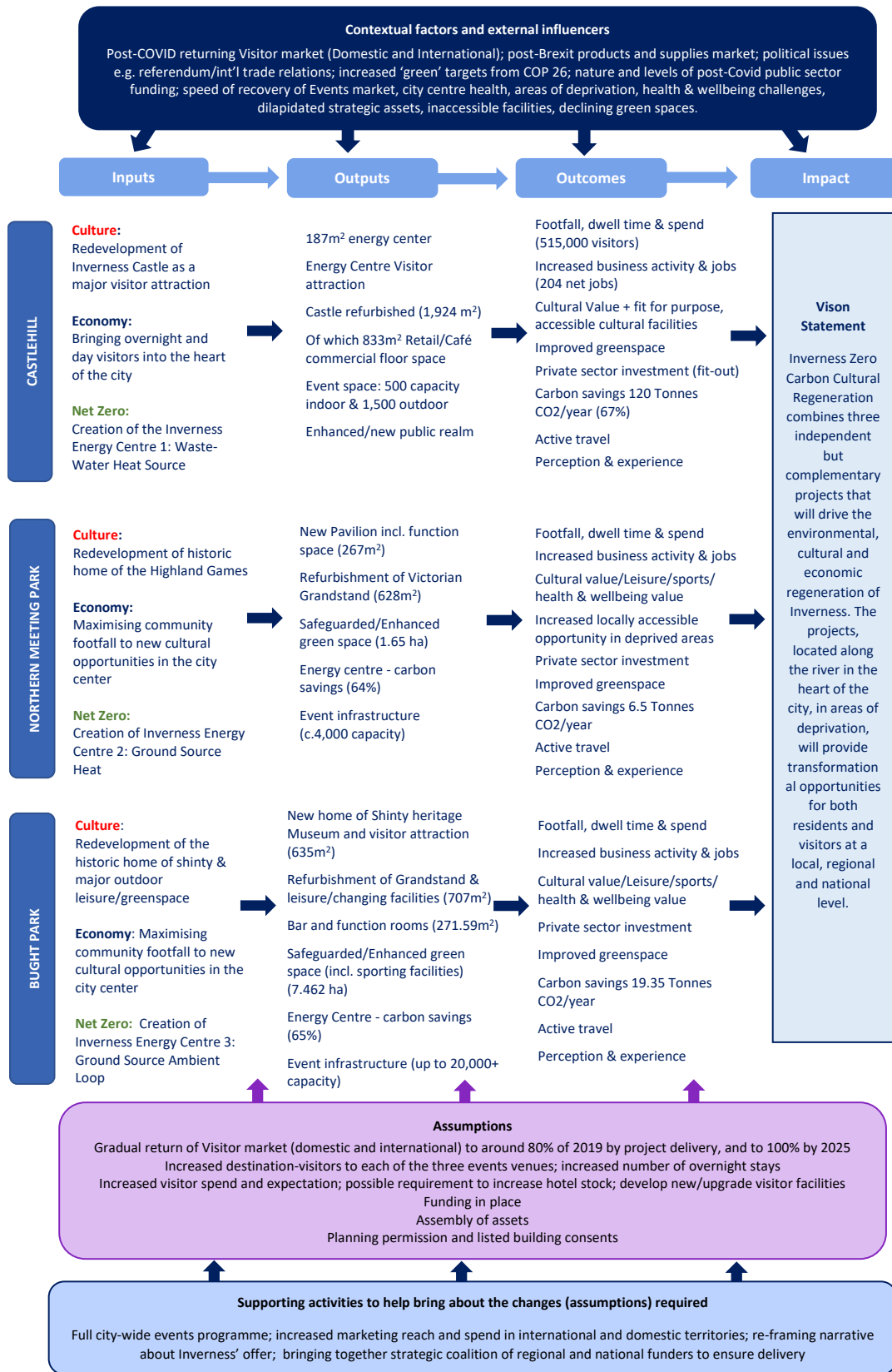
Yes

No

<sup>5</sup> Economic analysis using Event Scotland approved methodologies reported August 2019.

**4.3e Please explain how you will deliver the outputs and confirm how results are likely to flow from the interventions. This should be demonstrated through a well-evidenced Theory of Change. Further guidance on producing a Theory of Change can be found within HM Treasury’s Magenta Book (page 24, section 2.2.1) & MHCLG’s appraisal guidance. (500 words)**

**Theory of Change:**



#### 4.4 Alignment with the local and national context

See technical note Table 1 for further guidance.

4.4a Explain how your bid aligns to and supports relevant local strategies (such as Local Plans, local economic strategies or Local Transport Plans) and local objectives for investment, improving infrastructure and levelling up. (Limit 500 words) 500

Inverness and its immediate catchment (the inner Moray Firth area) is the most densely populated part of a sparsely populated region. As such it combines the challenges both of geographical remoteness with the responsibility of being the key driver for the region's economy. While this remains a challenging political tension to balance, the economic reality is that Inverness city needs to perform well for the rest of the region to benefit from direct (and indirect) spin-off.

Local development strategies for both the city and the region recognise this, which is why in the City Region Deal (agreed with UK/Scottish governments) for the Inverness Castle regeneration project is the principal project and, so far, the most developed. It has been considered at length by the main public bodies in the area to ensure it fully complies with the broader strategic direction in the area, building sustainable and inclusive economic growth.

The Inner Moray Firth Development Strategy, the Inverness City Vision (and associated city centre masterplan) and Highland Council's Carbon Management Plan (that aims for a zero-carbon city centre) are all central context to the direction of this project; as are the Scottish Government policies focussing on commitment to sustainable tourism, green sustainability in city centres, and culture-led regeneration.

In addition, all 3 interlinked elements align and support a range of tourism strategies including the National Tourism strategy (Tourism Scotland 2020) and Scotland Outlook 2030 – Responsible Tourism for a Sustainable Future.

The Bught Park is a priority in the Camanachd Association Facilities Strategy (shinty's governing body), to address poor quality existing pitch and changing facilities, to enable the sport to grow at all levels.

The events infrastructure supports the emerging HLH events strategy included in appendix

It is important to highlight that, according to the Scottish Index of Multiple Deprivation (SIMD) that considers the extent to which an area is deprived across seven domains (income, employment, education, health, access to services, crime and housing), in Inverness as whole, there are 10 datazones ranked as being in the 20% most deprived in Scotland.

Similarly, the incidence of the region's rural poverty is well documented and becomes more extreme as you travel both north and west. The visitor service economy has developed exponentially in the area in recent years, aided by the visibility of the NC500 tourist route, and the pandemic has demonstrated the fragility of the local economy when this lifeline of visitor spend is removed. This project seeks to stabilise and strengthen this vital element of the local economy which, unlike other areas in the UK, is not a convenient added value extra, but a genuinely essential part of the city-region's functioning economy.

In terms of strategic levelling up, the region was described in the UK Parliament in the 1960s as being on 'the conscience of the nation', such was the parlous nature of its economy and depopulation. The economic regeneration since then continues through the strategic work of the public and private sectors, of which this project is a key part.

**4.4b Explain how the bid aligns to and supports the UK Government policy objectives, legal and statutory commitments, such as delivering Net Zero carbon emissions and improving air quality. Bids for transport projects in particular should clearly explain their carbon benefits. (Limit 250 words) 250**

The proposal has been developed based on the following key needs for the city:

- City centre economic regeneration
- Drive to deliver carbon net zero by 2025
- Improving the cultural offer and retaining key heritage assets
- Providing increased opportunities for residents in some of the most deprived areas

These fully align with the LUF objectives, as set out by UK Government:

*"The Fund will invest in local infrastructure that has a visible impact on people and their communities - including regenerating town centres and high streets, investing in local transport schemes, and creating, renewing and upgrading local cultural and heritage assets."*

The bid aligns with and supports UK governments 2050 Net Zero greenhouse gas emissions target. The Council has declared a climate and ecological emergency in 2019 and made a Carbon Clever commitment to delivering carbon neutral Inverness and Highlands by 2025.

The proposal is heavily focused on the delivery of three energy centres, providing renewable energy to the existing and new buildings and being scalable to supply adjacent properties in the future. All buildings will be designed to the highest sustainability standards and will have an empirical whole life cycle analysis to ensure its long-term environmental impact is minimised.

Other relevant points:

- There will be clauses with the building contractors and subcontractors regarding local supply chain to reduce emissions, as well as corporate policies relating to reducing energy use on site.
- Committed operational targets such as ISO 20121: Sustainable Events to manage events and control social, economic and environmental impact.

**4.4c Where applicable explain how the bid complements / or aligns to and supports other investments from different funding streams. (Limit 250 words) 250**

The Council is funding city centre regeneration projects to meet the aspirations of the Inverness City Centre Plan and Inner Moray Firth development plan and to showcase and expand the range of visitor, leisure, and cultural attractions; maximising the role of the River Ness as an important open space corridor, bringing vacant or underutilised space back to active use.

The proposal will be completely aligned with monies received from the Salix Recycling Fund (£7m), partially funding the Ness Hydro scheme which is the 4<sup>th</sup> limb of the Inverness Zero Carbon Cultural Regeneration project – reducing the organisation's carbon footprint, and further generation and use of renewable energy. A 93kW hydroelectric twin turbine will supply the nearby Inverness Leisure Centre with approximately 50% of their electricity use; very complementary to the bid proposal.



The proposal will complement and further enhance existing Council, Scottish & UK Government funding towards the refurbishment of the Castle and Spirit of the Highlands project.

Other funding being invested in the city, the outcomes of the proposal will complement include:

- Council investment of £25 million funding for affordable housing projects in the city centre
- Inverness Common Good funding for refurbishment of the Inverness Town house and Victorian market to make the city centre an attractive place to visit
- Funding through Sustrans for active travel routes and public realm works, including activating the river
- Private sector funding for 4 new major hotels.

**4.4d Please explain how the bid aligns to and supports the Government's expectation that all local road projects will deliver or improve cycling and walking infrastructure and include bus priority measures (unless it can be shown that there is little or no need to do so). Cycling elements of proposals should follow the Government's cycling design guidance which sets out the standards required. (Limit 250 words)**

The area covered by the bid is subject to a significant Sustrans funded project related to the Riverside Way, which seeks to improve active travel links throughout the area. There are also a number of key interventions being proposed through the West of the Ness project, and the Council has recently completed a new car park within easy walking distance of the Bught Park (which will act as a park and ride/cycle/walk facility for the wider parts of the city). Further information on the Riverside Way scheme can be found [here](#).

## PART 5 VALUE FOR MONEY

### 5.1 Appropriateness of data sources and evidence

See technical note Annex B and Table 1 for further guidance.

All costs and benefits must be compliant or in line with [HMT's Green Book](#), [DfT Transport Analysis Guidance](#) and [MHCLG Appraisal Guidance](#).

#### **5.1a Please use up to date evidence to demonstrate the scale and significance of local problems and issues. (Limit 250 words) 244**

Inverness is the largest population centre in the Highlands and serves as the main retail, commercial, industrial and social hub for the largest local authority area in the country. It is therefore crucial that the city centre is accessible, attractive and bustling.

Whilst the city centre is a key driver for the PCA economy it faces its own challenges, including poor quality public realm, car dominated streets, lack of a focal point and a Castle where current activity revolves around its function as a magistrates court. The area suffers from poor signage, a lack of city green space and connectivity adding to the poor overall perception of the city. Covid-19 lockdowns will only have exacerbated vitality challenges.

Despite high jobs densities reflecting high levels of in commuting to the Highlands capital, average wages are lower than for Scotland and GB (NOMIS May 2021 for the Highlands LA area) and this is more pronounced for male workers. Moreover, parts of Inverness are among the most deprived communities in Scotland. Merkinch is one such area and is ranked eighth out of almost 7,000 locations in the latest Scottish Index of Multiple Deprivation (SIMD) statistics.

Clearly efforts to redress deficits locally, including via targeted culturally led regeneration, will only serve to 'level up' the city and enhance the capital of the Highlands. The three projects that form this LUF bid will bring back into use three cultural assets and underpin the regeneration of the city centre.

#### **5.1b Bids should demonstrate the quality assurance of data analysis and evidence for explaining the scale and significance of local problems and issues. Please demonstrate how any data, surveys and evidence is robust, up to date and unbiased. (Limit 500 words) 339**

A robust evidence base is required to provide a comprehensive understanding of local context and to articulate local strengths, challenges, and opportunities in order that interventions are targeted appropriately to meet need and gaps in existing provision. The evidence base has been gathered through desktop research, supported by case studies and consultation documents.

A range of publicly available sources, documents and web-based applications inform this bid. All comparator evidence used to demonstrate the scale and significance of local challenges and issues has been sourced as the latest available ONS evidence, accessed via NOMIS in May 2021. This evidence demonstrates the long-standing challenges within the PCA labour market and economy, which in turn only fuels high levels of deprivation.

In terms of the professional reports utilised, multiple methods were used to ensure their robustness and unbiasedness:

- Inverness Castle: the scheme concept for the regeneration of Inverness Castle has been in development since 2018 having examined the market opportunity, options and developed 10 year operating projections providing a robust evidence base for the venue.
- Bught Park: similarly has been the subject of a feasibility and options study (Ekos consultants, March 2021).
- NMP: the subject to a condition review to inform the development proposals (Glyn Young Associates, May 2021)
- Energy solutions: Harley Haddow have undertaken feasibility assessments and recommended system design solutions for the facilities (June 2021).

These are the best-available national evidence for informed decision-making locally, consistent with other evidence held locally. As such, all evidence is considered robust and unbiased. Whilst some evidence is yet to be fully understood, including the effects of Covid-19 induced lockdown and social distancing measures, the overriding view is that city centre and its cultural assets have a key role to play in supporting economic recovery. Moreover, the city has significant pockets of deprivation with very poor employment and health outcomes evident.

Lastly, a thorough and extensive project engagement process between Highlands Council and key stakeholders has been undertaken to assure the findings from different surveys and resources are unbiased and mirror specialist local knowledge.

**5.1c Please demonstrate that data and evidence chosen is appropriate to the area of influence of the interventions. (Limit 250 words) 241**

The technical analysis underpinning the project design and rationale recognising the importance of the facilities, the Castle Hill project being a critical City-Region asset and one that acts as a beacon for the Highlands.

Of key importance in assessing the employment and economic impact of the proposals on the local economy is the extent to which new activity is truly additional, in other words it does not simply displace existing activity. It is important to understand who is likely to benefit from the impacts generated and the degree to which further demand and investment is stimulated. One of these key elements to understand is leakage: the proportion of outputs that benefits those outside the project's target area or group.

Castle Hill is at the heart of city centre, with the iconic building being a longstanding but poorly used centrepiece for the city. Without investment to bring the castle back into use and improve the surrounding amenity, a key opportunity to increase footfall to the city will be lost along with the 'spillover' of commercial Land Value Uplift (LVU). The selected extent of spillover LVU impacts on city centre properties is broadly within a 5-6 minute walk of Castle Hill. Consequently, the defined city core area of influence and all supporting evidence is considered appropriate and relevant. Similar zones of influence of investment in NMP and Bught Park have been adopted in assessing their potential place making impact on adjacent residential activity.

## 5.2 Effectiveness of proposal in addressing problems

### 5.2a Please provide analysis and evidence to demonstrate how the proposal will address existing or anticipated future problems. Quantifiable impacts should usually be forecasted using a suitable model. (Limit 500 words) 346

The project will deliver three inter-linked projects focused on protecting the City's cultural assets for local residents and visitors alike and underpinning the regeneration of the city centre.

The logic model and theory of change informs the economic impact modelling. This demonstrates how investment in the LUF works will showcase the city's heritage, drive new visitors, footfall and spending locally, thus improving the attractiveness and competitiveness of the city centre as a place to visit, spend and invest. The evidence base on the town centre performance identifies the need to address a number of weaknesses as demonstrated by vacancy rates.

The proposed package is expected to contribute significantly to addressing existing/anticipated problems. The delivery of the works will not only support improved city centre vitality and amenity, but the role of the LUF to induced employment opportunities locally will also support improved outcomes within the labour market. In turn, this will help address wider socio-economic challenges facing Central and West PCAs.

- The investment provides for comprehensive approach to sustainable energy supplies for the three cultural facilities.
- The Castle and the Parks investment safeguards and brings back into use three cultural facilities that are currently at risk or not fully accessible to the public (residents and public alike).
- The two Parks are important local leisure as well as cultural facilities and the investment will positively impact on adjacent residential areas in need as demonstrated by the SIMD data (with usage levels growing by over 87,000 annually).
- The Castle investment will draw in an additional 515,000 visitors including an expected 126,500 overseas visitors, providing additional expenditure and footfall to the city centre - providing a much-needed boost.
- The proposed Castlehill investment is the first phase of a three-phase investment plan and is expected to leverage further investment in the city centre and public facilities.

An economic assessment examined the potential of the Castle scheme to increase visitors and employment opportunities across the City-Region. The net impact analysis for the redevelopment of Inverness Castle is estimated to generate gross expenditure of £10.266m per annum £4.254m net additional GVA (including multiplier effects), and 204 net additional jobs.

### 5.2b Please describe the robustness of the forecast assumptions, methodology and model outputs. Key factors to be covered include the quality of the analysis or model (in terms of its accuracy and functionality) (Limit 500 words) 444

The assumptions are based on a range of forecasts, baseline evidence, expert advice and consultations, which have informed the modelling by independent specialists.

The primary analysis and models underpinning the development of the scheme include:

- Business model and demand forecasts: The forecast assumptions regarding the visitor profile and sustainability of the Castle venue are based on the operational business plan developed by leisure consultants IPW... The Highland Council project team have prepared projections of future use of NMP and Bught Park.

- **Scheme costs:** Independent quantity surveyors Gardiner & Theobald LLP prepared cost estimates for the Castle project. The scheme costs for the Castle have been prepared to RIBA Stage 3. The Highland Council have commissioned cost plans for the NMP and Bught Park and Castle Energy Centre, through the Council's internal quantity surveyors team. Key assumptions were identified, and costs benchmarked against other schemes. LDN architects have undertaken a building survey for the castle project and a separate building survey was carried out by Glynn Young Associates for the Northern Meeting Park, and The Highland Councils internal architect's department for Bught Park.
- **Energy systems:** feasibility studies have been prepared for the proposed energy system by Harley Haddow Engineering. The firm in response to Scottish Government's mandate have been working with Highland Council and High Life Highland on a Carbon reduction strategy, with the Castle at the heart of the proposal.
- **Economic impact model and demand assessment:** The economic impact of the proposed scheme has been prepared in line with HMG Green Book guidance. This has taken into account the potential deadweight and displacement effects of the scheme (in particular in relation to the impact of new events activity on other venues). The impact assessment was subject to review by the Scottish Office and DCMS as part of the review of the Castle OBC.
- **Assessment of place-making effects:** The council property service has provided a summary assessment of property market. In their view has the potential to influence by the proposed development with impacts on existing commercial and residential development in the immediate vicinity of the developments.
- **CBA model:** IPW have also developed a CBA model for the projects based on assumptions and best practice outlined in the HM Treasury Green Book – for example, there is a consideration of optimism bias and a discount factor of 3.5% is applied. Costs and benefits have been profiled over a 25-year period. A detailed explanation of the benefits assessed is contained within 5.4a.

The business case rationale and cost and impact models have been subject to review by the Council finance department and the Scottish Office and DCMS (in relation to the Castle redevelopment OBC and funding approval).

### 5.3 Economic costs of proposal

**5.3a Please explain the economic costs of the bid. Costs should be consistent with the costs in the financial case but adjusted for the economic case. This should include but not be limited to providing evidence of costs having been adjusted to an appropriate base year and that inflation has been included or taken into account. In addition, please provide detail that cost risks and uncertainty have been considered and adequately quantified. Optimism bias must also be included in the cost estimates in the economic case. (Limit 500 words) 191**

The overall financial cost of the Castle, NMP and Bught Park redevelopment is estimated at £43.673m (in 2021/22 prices including sunk costs) and is to be wholly funded through public funds. This capital cost includes appropriate allowances for risks and contingencies, alongside allowances for inflation.

An annual profile of likely cost demands has been discounted at 3.5% per year using the HM Treasury Discount Rate to ensure economic case costs are presented in Net Present Value (NPV) terms. Finally, an allowance for Optimism Bias (OB) at has been included and applied to public costs.

Whilst the upper-end allowance for OB included for non-standard buildings and standard civil engineering projects in the HMT Green Book Supplementary Guidance range from 44% to 51%, in practice much of the OB can be mitigated away with the City Council's understanding of the assets and cost certainties for the advanced planning stage of the Inverness Castle redevelopment. For this assessment the programme-level OB is estimated at 20%.

On this basis, the present value economic cost of the proposals is estimated at £52.408m with OB inclusions and these costs would be wholly borne by the public purse.

## 5.4 Analysis of monetised costs and benefits

**5.4a Please describe how the economic benefits have been estimated. These must be categorised according to different impact. Depending on the nature of intervention, there could be land value uplift, air quality benefits, reduce journey times, support economic growth, support employment, or reduce carbon emissions. (Limit 750 words) 710**

The assessment of benefit has been undertaken in accordance with the HM Treasury Green Book (2020), MHCLG Appraisal Guidance and other departmental guidance. Key assumptions adopted in the assessment of benefits are outlined below. A 25 year appraisal period has been adopted with all costs and benefits discounted at 3.5%.

### National scale economic benefits

#### A. Land Value Uplift

Modelling by Harley-Haddow Engineering has identified that 146MT of energy capacity 'With' the LUF supported investment this represents a long-term saving to organisations and businesses. The improved operating profitability of the businesses using the new energy source reflects an improved productive use of the land, which in economic terms will translate into safeguarded LVU. As these costs to public bodies and businesses will be wholly negated, no deduction for displacement has been made. These benefits persist over the appraisal period.

#### B. Wider Land Value Uplift

The scheme will deliver a comprehensive redevelopment of the Castle of the highest quality, alongside providing for the long-term sustainability of two strategic City parks. Based on the principle that these transformational investments will result in wider market effects across parts of the city an estimate has been made of the land value uplift (or place-making effects) in defined impact areas. The assessment of commercial land value uplift (LVU) has been completed on commercial and residential property in the centre of Inverness and in close proximity to NMP and Bought Parks.

The Highland Council's Commercial Development Surveyors examined the potential uplift on property values on commercial activity in defined impact areas (based on an area of influence within a 500 metre radius). Baseline asset values for commercial and residential property within the impact area have been calculated based on Valuation Office Agency (VOA) properties with an average uplift of 1.5% over 5 years. The average uplift to residential properties around the Parks is based on Council Tax data within the defined impact area with a one off value of 2.5% per cent uplift applied.

#### B. Amenity Benefits from Public Realm

Public open space gives rise to external amenity benefit that is not captured in the land value. Just over 9 hectares of public space will be safeguarded and enhanced as part of the project redevelopments. A benchmark amenity value of £109,138 per hectare 2016 prices (MCHLG AG updated to 2021) is applied to the area of public realm to be created to estimate the wellbeing benefits which will arise over a 21 year period. Accepting that the current public space will carry some amenity value, a 25% deduction has been made.

### C. Labour Supply

Whilst the creation of jobs and GVA are not included in the monetised benefits or BCR estimate, economic wellbeing benefits do arise when individuals who are not currently in employment move into jobs created as a result of the scheme. Consistent with the MHCLG framework, this is estimated based on the expected level of on-site employment, allowing for 10% of the 204 direct on-site jobs (additional over arena base employment) to be taken-up by residents outside of the labour market. It allows for the welfare impact of labour market entrants at 40% of the overall GVA impact over 10 years (based on average GVA per employee of £52,340 2015 prices ONS GVA per job NUTS3 uprated to 2021 prices).

### D. Events and Cultural Wellbeing

The development incorporates a new events and performances. It is estimated that 314,600 additional people will make use of the Castle and the Parks each year (making an allowance for displacement and excluding international visitors). A wellbeing value of £47 for events and £11.50 for sporting activity (2014 prices uprated to 2021 prices) has been estimated having regard to DCMS research in relation to the wellbeing benefits associated with attending an event (DCMS, Quantifying and Valuing the Wellbeing Impacts of Culture and Sport, 2014 referenced as part of LUF guidance on cultural projects). This has been applied over a 10-year period after opening of the facilities in 2024.

### E Carbon value

The three energy centres will provide sufficient power to deliver reductions of the 146MT of carbon annually. This carbon saving has been incorporated in the benefit assessment based on the HMT carbon values (at £65 per tonne in 2021 prices over the appraisal period).

### **5.4b Please complete Tab A and B on the appended excel spreadsheet to demonstrate your:**

**Tab A - Discounted total costs by funding source (£m)**

**Tab B – Discounted benefits by category (£m)**

**See annex excel spreadsheet for details.**

## **5.5 Value for money of proposal**

**5.5a Please provide a summary of the overall Value for Money of the proposal. This should include reporting of Benefit Cost Ratios. If a Benefit Cost Ratio (BCR) has been estimated there should be a clear explanation of how this is estimated i.e. a methodology note. Benefit Cost Ratios should be calculated in a way that is consistent with [HMT's Green Book](#). For non-transport bids it should be consistent with [MHCLG's appraisal guidance](#). For bids requesting funding for transport projects this should be consistent with [DfT Transport Analysis Guidance](#). (Limit 500 words) 355**

The value for money assessment reviews the expected economic benefits of the Castle redevelopment scheme, as outlined above, alongside the economic costs in order to estimate a Benefit Cost Ratio (BCR) and provide an indication of the value for money of the proposed scheme.

The estimated BCR ratio is underpinned by a number of core documents that provide the evidence base for the analysis. These include the Castle project OBC which has been subject to review by the Scottish and UK Government as part of its funding approval, five year Business Plan prepared by IPW, an economic impact assessment prepared as part of the business case and planning application

process. This has been supplemented with property market analysis to inform the assessment of potential land and property impacts. The scheme cost estimate is based on being at pre-tender stage with delivery subject to LUF funding able to commence in 2021. The Castle is scheduled to open in January 2025 (but all LUF monies spent by end of 2024) whilst Castle Hill Energy Centre, NMP and Bught Park opening dates are scheduled for February/March 2024.

The approach to the BCR is based on the economic cost principles and benefit streams set out above. Based on the estimate of wider benefits associated the proposed package of projects achieve a BCR of 3.2.1.

<b>Appraisal Summary Table costs and benefits (3.5% over 25 years)</b>		<b>Preferred Option (NPV, 2021/22 prices)</b>
<b>National-Scale Benefits</b>		
A1. Land value uplift (LVU) direct		£1,571,158
A2. Wider LVU (commercial & residential)		£19,954,361
B. Amenity value		£10,926,238
C. Labour supply		£2,584,283
D. Events and cultural wellbeing		£123,380,367
F. Carbon value		£125,677
<b>Total benefits for the BCR</b>	<b>A</b>	<b>£158,542,084</b>
<b>Costs (including 20% OB)</b>		
LUF cost/funding	B	£22,607,178
Co-funding local authority cost (including borrowing)	C	£10,809,698
Co-funding other public sources	C1	£16,549,417
<b>Total cost (LFU + Co-funding)</b>	<b>D</b>	<b>£49,966,292</b>
Private sector cost *	E	-
<b>BCR calculation formula</b>	<b>A-E/D</b>	<b>3.2:1</b>

On this basis, the Preferred Option project has a headline BCR of 3.2: 1, reflecting high Value for Money and notwithstanding the potential for the project to support local level employment and associated GVA returns, described in 5.5b.

### **5.5b Please describe what other non-monetised impacts the bid will have and provide a summary of how these have been assessed. (Limit 250 words) 186**

An economic assessment examined the potential of the scheme to increase visitors and employment opportunities across the City-Region. The net impact analysis for the redevelopment of Inverness Castle is estimated to generate gross expenditure of £10.266m per annum £4.254m net additional GVA (including multiplier effects), and 204 net additional jobs.

In addition the three projects will provide a major Covid-19 recovery stimulus in the form of injecting £31m into the construction sector supporting 315 jobs. The Castle Energy Centre will also provide the capacity to sell surplus power to the grid system to the benefit of city centre business.

The repurposing of Inverness Castle is the first phase of the wider redevelopment of the Castlehill site as a world-leading visitor destination. The Castle is adjacent to the refurbished Inverness Town House, and will be a catalyst for subsequent development phases of the Castlehill Masterplan that will introduce a major new gallery and museum complex, and a revitalised accommodation and retail offer at the riverside in the heart of the city. This public led investment that will underpin subsequent public and private sector investment across the City.



**5.5c Please provide a summary assessment of risks and uncertainties that could affect the overall Value for Money of the bid. (Limit 250 words) 186**

The key delivery and economic risks include the potential for (a) reduced project economic outcomes, (b) higher than anticipated levels of displacement (c) delay in build-up of Castle visitors.

Whilst there are also financial risks associated with the projects, the inclusion of contingencies and an allowance for Optimism Bias has already considered the implications of cost overruns. Given these risks, three sensitivity tests have been carried out as follows:

- Sensitivity 1: -40% of additional visitors
- Sensitivity 2: -50% reduction in wider LVU
- Sensitivity 3: a slower build-up of Castle visitors (40%, 60%, 80%)

The effects of these tests on the headline BCR are provided below. Through this stress testing, the LUF programme still offers very good Value for Money.

<b>LUF – Sensitivity Tests and BCR results</b>		
	<b>Overall Impact (NPV)</b>	<b>BCR</b>
Sensitivity 1: -40% of additional visitors	£121.0m	2.4: 1
Sensitivity 2: - 50% wider LVU	£148.0m	3.0: 1
Sensitivity 3: delay in build-up of outcomes	£133.3m	2.7: 1

The switching value for cost and benefits such that the BCR falls below a ratio of 1.5:1 are: + 210% for scheme costs and –54% for scheme benefits.

**5.5d For transport bids, we would expect the [Appraisal Summary Table](#), to be completed to enable a full range of transport impacts to be considered. Other material supporting the assessment of the scheme described in this section should be appended to your bid.**

## PART 6 DELIVERABILITY

### 6.1 Financial

See technical note Table 1 for further guidance.

**6.1a Please summarise below your financial ask of the LUF, and what if any local and third party contributions have been secured (please note that a minimum local (public or private sector) contribution of 10% of the bid costs is encouraged). Please also note that a contribution will be expected from private sector stakeholders, such as developers, if they stand to benefit from a specific bid (Limit 250 words) 204**

On behalf of the Inverness Zero Carbon Cultural Regeneration project, The Highland Council is seeking £19,856,253 funding from the LUF to deliver three complementary projects that will have a transformational impact on both Inverness and the Highlands.

The total project cost of the Inverness Zero Carbon Cultural Regeneration Project is £43,673,984. To date, **£23.82m of funding has already been secured** from local and third party contributions, including £9.78m contribution from The Highland Council. The local contribution significantly exceeds the minimum 10% required (22% of total cost being funded from the Council).

The table below summarises both the confirmed funding, and current funding applications in progress:

Source	Value	Status
<b>Inverness Zero Carbon Cultural Regeneration project cost</b>	<b>£43,673,984</b>	<b>Confirmed by QS</b>
<b>Secured funding</b>		
The Highland Council Capital Programme	£9,780,000	Confirmed
Inverness & Highland City Region Deal	£13,000,000	Confirmed
Natural & Cultural Heritage Fund	£750,000	Confirmed
Scotgrad	£12,731	Confirmed
Creative Scotland	£150,000	Confirmed
Visit Scotland	£125,000	Confirmed
<b>Sub Total</b>	<b>£23,817,731</b>	<b>Confirmed</b>
<b>Applications in progress</b>		
LUF grant	£19,856,253	Application
<b>Sub Total</b>	<b>£19,856,253</b>	
<b>Total</b>	<b>£43,673,984</b>	

Further funding sources will be explored to further enhance the scheme, should LUF funding be achieved. Private sponsorship is also being sought in support of individual elements or project within Spirit of the Highlands.

**6.1b Please also complete Tabs C and D in the appended excel spreadsheet, setting out details of the costs and spend profile at the project and bid level in the format requested within the excel sheet. The funding detail should be as accurate as possible as it will form the basis for funding agreements. Please note that we would expect all funding provided from the Fund to be spent by 31 March 2024, and, exceptionally, into 2024-25 for larger schemes.**

Table C and D have been completed in the appended excel spreadsheet at both a proposal and individual project level.

Table C sets out the spend profile for each project across each financial year for 2021/22, 2022/23 and 2023/24. It is based on an analysis of project costs alongside the anticipated project programme and illustrates the Levelling Up Funding ask for each year.

- **We can confirm the project delivery plan facilitates all funding being spent prior to the end of March 2024, with construction complete by this date (including a buffer for unforeseen circumstances).** Please note that any funding shown in 2024-25 / 25-26 is retention amounts only.
- **We can confirm that c£1m funding can be spent by the end of 2021/22.**

Table D sets out the capital costs for the combined proposal, and for each individual project; identifying construction costs, professional fees and appropriate project contingencies. The costs have been prepared by Quantity Surveyors, informed by project and site specific local knowledge and utilising benchmarks and costs from comparable projects delivered recently in Inverness and the Highlands.

**6.1c Please confirm if the bid will be part funded through other third-party funding (public or private sector). If so, please include evidence (i.e. letters, contractual commitments) to show how any third-party contributions are being secured, the level of commitment and when they will become available. The UKG may accept the provision of land from third parties as part of the local contribution towards scheme costs. Where relevant, bidders should provide evidence in the form of an attached letter from an independent valuer to verify the true market value of the land.**

**Yes**

**No**

Appendix 6.1.c.i includes a summary of the evidence of third party funding.

Appendix 6.1.c.ii – viii provide further details and evidence of the third party funding confirmed including letters and email correspondence.

**6.1d Please explain what if any funding gaps there are, or what further work needs to be done to secure third party funding contributions. (Limit 250 words) 85**

There is no project funding gap for the delivery of the proposal, as set out in the table below:

Source	Value	Status
<b>Secured funding</b>		
The Highland Council Capital Programme	£9,780,000	Confirmed
Inverness & Highland City Region Deal	£13,000,000	Confirmed
Natural & Cultural Heritage Fund	£750,000	Confirmed
Scotgrad	£12,731	Confirmed
Creative Scotland	£150,000	Confirmed
Visit Scotland	£125,000	Confirmed
<b>Sub Total</b>	<b>£23,817,731</b>	<b>Confirmed</b>
<b>Applications in progress</b>		
LUF grant	£19,856,253	Application
<b>Sub Total</b>	<b>£19,856,253</b>	
<b>Total funding</b>		<b>£43,673,984</b>
<b>Inverness ZCCR project cost</b>	<b>£43,673,984</b>	<b>Confirmed by QS</b>
<b>Funding gap</b>	<b>£0</b>	

**6.1e Please list any other funding applications you have made for this scheme or variants thereof and the outcome of these applications, including any reasons for rejection. (Limit 250 words) 47**

Funding applications have been submitted for the refurbishment of Inverness Castle, an element of the Castle Hill project.

There have **not** been any previous funding applications for any of the following elements of this LUF application:

- Castle Hill Energy Centre
- Northern Meeting Park
- Bught Park

**6.1f Please provide information on margins and contingencies that have been allowed for and the rationale behind them. (Limit 250 words) 124**

The capital cost assessment has been undertaken by professional Quantity Surveyors, with experience of delivering projects in Inverness and full awareness of the sites. The costs have been based upon RIBA Stage 2 design.

There is no developer margin, as the Council is the developer.

Construction and tender inflation costs have been allowed for tender costs in 2022.

An overall contingency of £8,456,519 has currently been included within the project costs, based on the QS analysis and review of the risks. This is equivalent to

- 20% contingency for the Castle refurbishment, as the project is a grade A listed
- 10% contingency for Northern Meeting Park and Bught Park, which based on the simplicity of delivery is considered acceptable at this stage of the project.

**6.1g Please set out below, what the main financial risks are and how they will be mitigated, including how cost overruns will be dealt with and shared between non-UKG funding partners. (you should cross refer to the Risk Register). (Limit 500 words) 265 words**

The main financial risk is agreeing sums with building contractors, in line with the project cost estimates (Risk Register: IC002, NMP001, NMP002, BP001, BP002). This will also link to risks associated with BREXIT (Risk Register: IC025, NMP016, BP016). These risks are being, will continue to be managed by the project team through:

- Engagement with local, experienced design team
- Experienced project team managing the tender process
- Expertise of QS engaged at early stages
- Appropriate inflation and contingencies included within the project costs.

Other key financial risks include:

- Cost increases due to site abnormalities (Risk Register: IC004, NMP003, BP003)– mitigated through instruction of relevant tests at an early stage, already done for the Castle Hill site.
- Contractor runs over budget (Risk Register: IC005, NMP004, BP004)– mitigated through monitoring work of contractors against specification and tender
- Revenue budget requires additional Council subsidy (IC009, IC017, NMP005, NMP012, BP005, BP012) – mitigated through realistic projections, benchmarking, maximising income generating potential of all project elements
- Confirmed funding does not materialise (Risk Register: IC006, IC007, IC008, NMP019) – mitigated by ensuring project objectives aligned with funding, relationships are developed. Letters of confirmation available.

Should extraordinary circumstances lead to cost overruns, other potential sources of funding will be reviewed and followed up to mitigate any potential rise in the estimate. This will include:

- Clean Growth Fund
- District Heating Loan Fund
- Joseph Rowntree Charitable Trust
- MCS Charitable Foundation
- Salix Energy Efficiency Loans
- Sportscotland
- National Lottery Heritage Fund
- Bord na Gaidhlig
- Highlands and Islands Enterprise

Proposals will also be prepared to seek to secure private sector sponsorship.

## 6.2 Commercial

See technical note Section 4 and Table 1 for further guidance.

**6.2a Please summarise your commercial structure, risk allocation and procurement strategy which sets out the rationale for the strategy selected and other options considered and discounted. The procurement route should also be set out with an explanation as to why it is appropriate for a bid of the scale and nature submitted.**

**Please note - all procurements must be made in accordance with all relevant legal requirements. Applicants must describe their approach to ensuring full compliance in order to discharge their legal duties. (Limit 500 words) 470**

**Commercial Structure:** The Highland Council (THC) will take the lead and act as developer for the proposal and for each individual project.

**Risk Allocation:** The Council will be responsible for the management, design, construction, cost and risk of all three projects from conception through to completion. Please note all sites are public owned assets allowing the project to move at pace.

**The procurement strategy** for the proposal has been considered by the project team, exploring a range of options including:

1. Design & Build
2. Negotiated Contracts
3. Local Authority Frameworks

Aligning the Council's key objectives for the delivery:

- Timescales for delivery – the need to optimise procurement timescales
- Maximising contractor appetite – medium size contract (£5m-£8m value) will maximise appetite from local contractors to tender for the works. Based on previous experience this will also lead to better value and it is known that there would be considerable interest from the local market at the medium size contract.
- Ensuring appropriate expertise - Also, each contract has different features, in particular the energy centre solution and the listed building classification. Dealing with each project separately during the design phase will be beneficial to tailor the requirements and expertise appropriately and also to allow each programme to run independently when dealing with the Listed Building and Planning Applications.
- Optimising risk management – managing individual contractors on medium size contracts, providing more control but also ensuring that at all RIBA stages, should a problem occur on one of the contracts, the others can continue to progress as per programme (if one large contract across the projects, this would not be the case)
- Retaining works within the region wherever possible, maximising the local economic impact of the proposal, critical in the aftermath of the pandemic.

Based on the key objectives/considerations above, the decision has been taken to procure each of the individual projects as separate contracts.

- The Castle Hill Energy Centre will be a variation to the main Inverness Castle refurbishment contract, (consistency of Redevelopment – Standard Building Contract with Quantities (SBC/Q) 2016)
- Northern Meeting Park Redevelopment works will be procured on an Open Tender basis, through PCS (Public Contract Scotland) – Standard Building Contract with Quantities (SBC/Q) 2016

- Bught Park Redevelopment works will be procured on an Open Tender basis, through PCS (Public Contracts Scotland) - Standard Building Contract with Quantities (SBC/Q) 2016

The Council has considerable experience in procuring and managing traditional contracts, this gives the authority greater control throughout the life of the project and will ensure best value. Note that the approach adopted for NMP / BP is the same as the Ness Hydro project which is due to complete in December 2021 and is on time and on-budget.

In order to ensure full compliance and discharging legal duties, the three projects will follow and comply with The Highland Council Procurement Standing Orders.

## 6.3 Management

See technical note Section 4 and Table 1 for further guidance

**Delivery Plan: Places are asked to submit a delivery plan which demonstrates:**

- **Clear milestones, key dependencies and interfaces, resource requirements, task durations and contingency.**
- **An understanding of the roles and responsibilities, skills, capability, or capacity needed.**
- **Arrangements for managing any delivery partners and the plan for benefits realisation.**
- **Engagement of developers/ occupiers (where needed)**
- **The strategy for managing stakeholders and considering their interests and influences.**
- **Confirmation of any powers or consents needed, and statutory approvals e.g. Planning permission and details of information of ownership or agreements of land/ assets needed to deliver the bid with evidence**
- **Please also list any powers / consents etc needed/ obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them.**

**6.3a Please summarise the delivery plan, with reference to the above (Limit 500 words) 497**

The Delivery Programme and narrative of the Delivery Plan across the three projects is included in Appendix 6.3.a.i – ii. The Delivery Plan addresses each of the items identified above.

- All three sites are owned by the Highland Council.
- Planning permission will be required for all 3 projects.
- Listed Building Consent (LBC) will be required for Castlehill Energy Centre and the Northern Meeting Park refurbishment.
- £1m of funding can be spent in financial year 2021/22 on site investigations and design development across the projects

All projects have been developed to RIBA Stage 2, managed by The Council and HLH with existing design teams. The Planning Authority has been appraised of the proposals as part of the early consultation process.

The priority milestone is to achieve Planning Permission and LBC across the projects. The key tasks to achieve this are:

1. Appoint the existing design teams to undertake the remaining design stages.
2. Develop spatially coordinated design proposals to meet set delivery requirements for each site to RIBA Stage 3, including detailed structural and civil and MEP design proposals and cost check.
3. Progress enquiries with statutory undertakers to secure infrastructure provision across the projects.
4. Undertake enhanced Site Investigations to confirm ground conditions and locate underground services.
5. Undertake specialist surveys required for applications for Planning Permission and LBC such as topographical surveys, tree surveys, ecological surveys, etc.
6. Commission other supporting documentation such as traffic statements and construction and waste management plans etc.
7. Engage with the Planning Authority and statutory stakeholders through pre-application consultations and amend the design prior to the submission of formal applications
8. Undertake wider stakeholder consultation including Historic Environment Scotland, local access panel, Inverness Design Review Panel, Police Scotland, Scottish Fire and Rescue Service, End Users, the general public etc to inform the developed design
9. Submit applications for Planning Permission for all three sites and LBC for the Castlehill Energy Centre and Northern Meeting Park (note conservation accredited architects have been employed on both projects)
10. Monitor the application process and react to any Planning concerns as a matter of urgency
11. **MILESTONE 1:** To achieve Planning Permission and LBC across the three projects

Subsequently, key actions will be:

12. Act quickly to submit information to discharge any pre-development conditions.
13. Progress technical design proposals to RIBA Stage 4, involving engagement with end-user teams, management and operational staff.
14. Make applications for Scottish Water Technical Approval for drainage or connection applications
15. Commence engagement with Building Control Officers in anticipation of applications for Building Warrant and agree any staged applications as necessary
16. Submit applications for Building Warrant and liaising with Building Control to address any areas of non-compliance/objections that may be identified.
17. **MILESTONE 2:** To achieve Building Warrant for all three projects.

Thereafter, the RIBA Plan of Work will be followed to progress the projects through Stage 4 - Technical Design and Tender, Stage 5 - Manufacturing and Construction, Stage 6 - Handover and Stage 7 - In Use.

<p><b>6.3b Has a delivery plan been appended to your bid?</b></p>	<p><input checked="" type="checkbox"/> <b>Yes</b></p> <p><input type="checkbox"/> <b>No</b></p>
<p><b>6.3c Can you demonstrate ability to begin delivery on the ground in 2021-22?</b></p>	<p><input checked="" type="checkbox"/> <b>Yes</b></p> <p><input type="checkbox"/> <b>No</b></p>



**6.3e Risk Management: Places are asked to set out a detailed risk assessment which sets out (word limit 500 words not including the risk register): 498**

- **the barriers and level of risk to the delivery of your bid**
- **appropriate and effective arrangements for managing and mitigating these risk**
- **a clear understanding on roles / responsibilities for risk**

A detailed Risk Register has been developed for the proposal (Appendix 6.3.e.i).

The Risk Register highlights project critical risks, key triggers and assesses the likelihood/impact of the risk materialising; this results in a profile score against which an owner is allocated, and key mitigation plans identified.

The Risk Register identifies a number of higher profile risks (red rating) that require ongoing management and mitigation including:

- Design exceeding initial cost estimates – mitigated by developing internal cost estimates prior to going out to tender and close management of the design team to ensure designs align with project budget.
- Partnership funding not secured – mitigated by exploring a wide range of public/private sector opportunities, by ensuring project objectives are aligned with funding opportunities, relationships with key funders are developed and benefits/impact of the projects are clear/demonstrable.
- The Castle Hill Waste-Water Energy Centre is an innovative approach to sustainable energy. It is already being mitigated through a detailed feasibility study undertaken by the Mechanical & Electrical Engineer and contact is ongoing with Scottish Water to discuss the use of the main sewer in the area for waste recovery.
- Visitor numbers are not achieved due to the current uncertainty in the delivery of visitor, leisure and cultural services for a post pandemic market– mitigated by ensuring estimates are realistic from the outset, stakeholder engagement to ensure the projects meet the needs of the users and appropriate marketing/operational strategies in place.
- Revenue performance is poorer than expected due to the uncertainty in visitor, leisure and cultural services for a post pandemic market – mitigated by ensuring estimates are realistic from the outset (income and expenditure); appropriate expertise and benchmarks are utilised. Appropriate marketing and promotion strategy in place.
- Impact of Brexit – mitigated by ensuring Scottish/UK Government guidance is central to planning processes. Ensure appropriate contingencies in place within the project budgets.

For each of these risks, a Risk Management Plan (Appendix 6.3.e.ii – iv) has been developed to identify mitigation actions, allocate owners and monitor progress; ensuring risks are managed day to day and ultimately mitigated as much as possible.

Governance is an important component of risk management. The governance structure has been agreed and is already successfully in effect for the Castle Hill project.

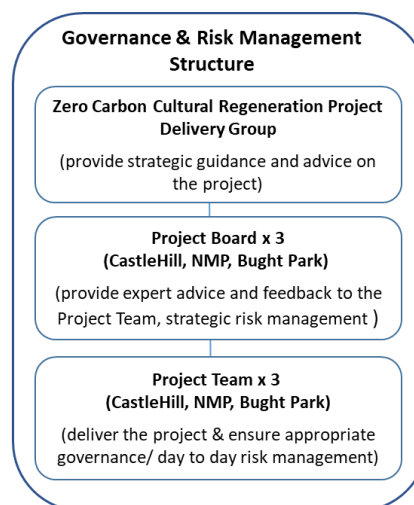
The Project Delivery Group (jointly chaired by Fergus Ewing MSP,) will have ultimate oversight for the proposal.

Each individual project will have its' own Project Board (chaired by the Highland Council Senior Responsible Officer, Malcolm MacLeod) and Project Team.

The Project Team meet weekly and report to both the Project Board and the Delivery Group on a quarterly basis.

The Risk Register is a permanent item on the agenda for all, informing day to day and strategic decision making. Allan Maguire (Head of Development & Regeneration) will sit on all 3 project boards is responsible for the ongoing management of the Risk Register.

The directly relevant experience (set out in track record below) of the delivery partners will be critical for recognising and managing project risks and ensuring the successful delivery of the project.



**6.3f Has a risk register been appended to your bid?**

**Yes**

**No**

**6.3g Please evidence your track record and past experience of delivering schemes of a similar scale and type (Limit 250 words) 249**

The two leading partners for the proposal, the Council and HLH have a strong and proven track record of working together over the last 20 years delivering complex projects - on time and on budget, through periods of recession/recovery, for refurbished and new build facilities.

Policies and procedures are in place to ensure delivery of these projects with experienced project managers and expert consultants resulting in award winning projects. The team, collectively and individually, has extensive experience of designing and delivering significant infrastructure projects. This is directly relevant experience for the delivery of the proposals and will be critical for successful delivery of the project.

Examples of projects, many with similar features and scale, delivered by the project team include:

- Inverness Town House Refurbishment, Grade A Listed, Value - £7.1M
- Ness Hydro Scheme, Value £7M
- Inverness Victorian Mark, Grade B Listed, Value - £1.8m
- Inverness Castle Viewing Platform, Grade A Listed, Value - £1.6m
- Inverness Waste Transfer Station, Value - £13M
- Fort William Office Rationalisation Project – Value £7M
- Thurso Leisure Centre – Value £3m
- Torvean Golf Course Club House – Value £3.5M
- Inverness High School, Grade B Listed, Value £14M
- West Link Project – Value £55M

Canal Park is very similar to Bught Park and the existing sports clubs who utilise the facility. The figure to the right highlights the significant uptake in participation levels and success for the Highland Rugby Club once their new facilities were built. The Council has a track record in investing to deliver social and cultural uplift.

	Before Canal Park	Current position
Number of HRFC teams	Senior Teams - 2 Over 35's - 1 Junior Boys Teams – 5 Junior Girls Teams - 0 Mini/Micro Players - 50	Senior Teams - 3 Over 35's - 1 Junior Boys Teams - 6 Junior Girls Teams - 3 Mini/Micro Players - 200
Number of HRFC members	Database - 856 Paid - 164	Database - 2,165 Paid - 308
Participation numbers (annual if possible)	210	460
Details of how their teams have progressed through their respective leagues, namely any promotions achieved:	2017 - 1 <sup>st</sup> XV Promoted to National League 3 2018 - 1 <sup>st</sup> XV Promoted to National League 2 2020 - 1 <sup>st</sup> XV Promoted to National League 1 In addition, they played in 2 national cup finals in the above period. 2 <sup>nd</sup> XV won their league on 2 occasions. League rules prevent promotion. In addition, they won a regional cup on 2 occasions. Youth sides compete on a national league basis.	

**6.3h Assurance: We will require Chief Financial Officer confirmation that adequate assurance systems are in place.**

**For larger transport projects (between £20m - £50m) please provide evidence of an integrated assurance and approval plan. This should include details around planned health checks or gateway reviews. (Limit 250 words) 191**

The Council has robust governance arrangements in place for the delivery of its major projects. There is a specific governance structure in place for the proposal (and is already proven for the early stages of the Castle refurbishment), there is a Project Delivery Group (jointly chaired by Fergus Ewing MSP,) who provide strategic guidance and advice to the project.

Each individual project will have its' own Project Board who will provide expert advice and feedback to the project team. The Project Team are responsible for delivering the project, they meet weekly and report to both the Project Board and the Delivery Group on a quarterly basis.

The project team and board are supported by specialist consultants, to provide additional expertise, ensuring robustness and due diligence.

Progress on all projects will be monitored and reported on through the Council's governance channels, including:

- An annual review of the Capital Programme by full Council;
- A quarterly update to the Economy and Infrastructure Committee;
- A quarterly update to the City Regions Deal Programme Board (Castlehill only);
- Annual internal and external audit of all project expenditure

## 6.4 Monitoring and Evaluation

*See technical note Section 4 and Table 1 for further guidance.*

6.4a Monitoring and Evaluation Plan: Please set out proportionate plans for M&E which should include (1000 word limit): **933**

- Bid level M&E objectives and research questions
- Outline of bid level M&E approach
- Overview of key metrics for M&E (covering inputs, outputs, outcomes and impacts), informed by bid objectives and Theory of Change. Please complete Tabs E and F on the **appended excel spreadsheet**
- Resourcing and governance arrangements for bid level M&E

Monitoring and evaluation of our projects is a key part of the Council and High life Highland's strategic approach to project delivery. It is important to us, that our investment and that of other public sector partners is targeted and effective. Therefore, our monitoring and evaluation approach includes both reporting on and acting on the information collected, and analysis undertaken. This means that if at any stage, any of the expected outcomes and impacts are not hitting the targets set, we will seek to initiate further actions and support to ensure that they are achieved.

Our plan will ensure that all project stakeholders (including funding partners, local and regional organisations and the public) will benefit from understanding the values and outcomes of this investment.

The purpose of our monitoring and evaluation will be to:

- assess the performance of the interventions with respect to achieving the targeted outcomes
- adapt the project inputs and activities (where necessary/possible) to maximise the outcomes and impact on a long-term basis
- communicate the performance/benefits of the project to the public and wider stakeholders
  - learn lessons for future projects/ investments.

The key research questions will include:

- Were the projects delivered as intended and what can be learned from the overall project delivery approach and execution (short-term process evaluation)
- To what extent have the projects delivered the short-term outcomes expected, and if not, what can be done to achieve this, or learn lessons for future projects (short-term impact evaluation)
- To what extent have the projects delivered the medium and long-term outcomes expected (medium-long term impact evaluation)
- Have the projects delivered/ do they continue to deliver value for money (medium – long term VFM evaluation)

We have developed a proportionate plan for bid-level monitoring and evaluation that is built upon our objectives and Theory of Change. Our M&E plan considers each project individually with respect to their short, medium and long-term outcomes and impacts, however the information and data collected will be capable of collation to form an overall project-level analysis (on a periodic basis).

The short-term outcomes will effectively be achieved and evaluated through the construction and opening phase of each project. The medium and long-term outcomes and impacts will be achieved from opening and throughout the life of the projects.

**Short-term (process and impact evaluation)**

The Council and HLH will undertake a process and impact review at the end of each of the projects. The process review will consider how well the project was delivered compared to the project plan, with regards to cost, programme, resources, outputs etc. This review will identify any lessons learned to inform future decision making.

The short-term impact review for each project will effectively evaluate the outcomes from the construction phase, compared with the expected outcomes. Some examples are provided in the table below, with a full list for each project in Table F.

Type of outcome	Castle Hill	Northern Meeting Park	Bught Park
Completed development	Refurbished castle open as international visitor attraction and energy centre	Refurbished main building for community use & visitor attraction and creation of a pavilion and energy centre	Refurbished stand and changing facilities completed and energy centre
Floor space created	1,924 sqm of internal space 1,640 sqm of external space	995 sqm of internal space 1.65ha safeguarded/enhanced green space	1,614 sqm of internal space 7.462ha safeguarded/enhanced green space
Leverage	Private sector investment in fit out	Private sector investment in fit out	
Construction jobs	160 construction jobs	75 construction jobs	80 construction jobs

**Medium and long-term (impact and value for money evaluation)**

The medium and long-term outcomes and impacts will be subject to both regular monitoring and periodic evaluation. The regular monitoring will be undertaken by a range of stakeholders, with the benefit owners identified in Table F responsible for the data collection and reporting. Some examples are provided in the table below, with a full list for each project in Table F.

Regularity of monitoring/data	Inverness Castle	Northern Meeting Park	Bught Park
Monthly	<ul style="list-style-type: none"> <li>Improved air quality</li> </ul>	<ul style="list-style-type: none"> <li>Improved air quality</li> </ul>	<ul style="list-style-type: none"> <li>Improved air quality</li> </ul>
Annual	<ul style="list-style-type: none"> <li>Visitor numbers</li> <li>Overnight stays</li> <li>Increased visitor spend in the city</li> <li>Increased dwell time in the city</li> </ul>	<ul style="list-style-type: none"> <li>Job creation</li> <li>Increased footfall to the site</li> <li>Enhanced wellbeing</li> <li>Carbon reduction</li> </ul>	<ul style="list-style-type: none"> <li>Increased footfall in area</li> <li>Increased overnight visitors to Inverness</li> <li>Reduced deprivation</li> </ul>
Irregular / periodic	<ul style="list-style-type: none"> <li>Increased land values</li> <li>Cultural assets protected</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced sustainability</li> <li>Perceptions of the city</li> </ul>	<ul style="list-style-type: none"> <li>Reduced heating costs in area</li> </ul>

In addition, a periodic evaluation will be undertaken at the end of Years 1, 3, 5 and 10 of operation. This evaluation will be undertaken by an external, independent consultant, commissioned by the Council/ HLH. The consultant will be supplied with all of the regular monitoring data collected and will supplement this with additional research and analysis specifically designed for the periodic evaluation questions. This periodic review will also include a standard economic impact assessment and value for money assessment. The Council will request that the consultant also makes

recommendations as to how to improve/ maximise the outcomes as a result of the studies. The Council will consider engaging the consultant prior to the scheme becoming operational to ensure an appropriate and robust methodology is in place, and that all relevant data required to undertake the studies will be capable of being provided.

The resourcing to be applied to the M&E plan will be a combination of Council Officers/HLH (undertaking the short-term evaluation and collecting data on a regular basis) and external consultants, appointed to undertake the periodic studies. The Council will also engage with other key stakeholders/ benefit owners such as Visit Scotland and Highlands and Islands Enterprise to commission relevant research to feed into the overall M&E plan.

## PART 7 DECLARATIONS

### 7.1 Senior Responsible Owner Declaration

As Senior Responsible Owner for The Highland Council I hereby submit this request for approval to UKG on behalf of The Highland Council and confirm that I have the necessary authority to do so.

I confirm that The Highland Council will have all the necessary statutory powers and other relevant consents in place to ensure the planned timescales in the application can be realised.

Name: Malcolm Macleod

Signed:

### 7.2 Chief Finance Officer Declaration

As Chief Finance Officer for The Highland Council I declare that the scheme cost estimates quoted in this bid are accurate to the best of my knowledge and that The Highland Council

- has allocated sufficient budget to deliver this scheme on the basis of its proposed funding contribution
- accepts responsibility for meeting any costs over and above the UKG contribution requested, including potential cost overruns and the underwriting of any funding contributions expected from third parties
- accepts responsibility for meeting any ongoing revenue requirements in relation to the scheme
- accepts that no further increase in UKG funding will be considered beyond the maximum contribution requested and that no UKG funding will be provided after 2024-25
- confirm that the authority commits to ensure successful bids will deliver value for money or best value.
- confirms that the authority has the necessary governance / assurance arrangements in place and that all legal and other statutory obligations and consents will be adhered to.

Name: Liz Denovan

Signed:

### 7.3 Data Protection

Please note The Ministry of Housing, Communities and Local Government (MHCLG) is a data controller for all Levelling Up Fund related personal data collected with the relevant forms submitted to MHCLG, and the control and processing of Personal Data.

The Department, and its contractors where relevant, may process the Personal Data that it collects from you, and use the information provided as part of the application to the Department for funding from the Levelling Up Fund, as well as in accordance with its privacy policies. For the purposes of assessing your bid the Department may need to share your Personal Data with other Government departments and

departments in the Devolved Administrations and by submitting this form you are agreeing to your Personal Data being used in this way.

Any information you provide will be kept securely and destroyed within 7 years of the application process completing.

**You can find more information about how the Department deals with your data [here](#).**



## Levelling Up Fund Application Form

This form is for bidding entities, applying for funding from the Levelling Up Fund (LUF) across the UK. Prior to completing the application form, applicants should read the [LUF Technical Note](#).

The Levelling Up Fund Prospectus is available [here](#).

The level of detail you provide in the Application Form should be in proportion to the amount of funding that you are requesting. For example, bids for more than £10m should provide considerably more information than bids for less than £10m.

Specifically, for larger transport projects requesting between £20m and £50m, bidding entities may submit the Application Form or if available an Outline Business Case (OBC) or Full Business Case (FBC). Further detail on requirements for larger transport projects is provided in the [Technical Note](#).

One application form should be completed per bid.

**Applicant & Bid Information**

**Local authority name / Applicant name(s)\*:** The Highland Council

*\*If the bid is a joint bid, please enter the names of all participating local authorities / organisations and specify the lead authority*

**Bid Manager Name and position:**

*Name and position of officer with day-to-day responsibility for delivering the proposed scheme.*

**Contact telephone number:**

**Email address:**

**Postal address:**

**Nominated Local Authority Single Point of Contact:** as above

**Senior Responsible Officer contact details:** Malcolm Macleod Executive Chief Officer Infrastructure Environment and Economy

**Chief Finance Officer contact details:** Liz Denovan, Executive Chief Officer, Resources and Finance

**Country:**

England

Scotland

Wales

Northern Ireland

Please provide the name of any consultancy companies involved in the preparation of the bid:

Stantec UK Ltd

For bids from **Northern Ireland applicants** please confirm type of organisation

Northern Ireland Executive

Third Sector

Public Sector Body

Private Sector

District Council

**Other (please state)**

Not applicable

## PART 1 GATEWAY CRITERIA

Failure to meet the criteria below will result in an application not being taken forward in this funding round

<p><b>1a Gateway Criteria for <u>all</u> bids</b></p> <p>Please tick the box to confirm that your bid includes plans for some LUF expenditure in 2021-22</p> <p><i>Please ensure that you evidenced this in the financial case / profile.</i></p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p><b>1b Gateway Criteria for private and third sector organisations in Northern Ireland bids only</b></p> <p>(i) Please confirm that you have attached last two years of audited accounts.</p>	<p>Not applicable</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p>(ii) <b>Northern Ireland bids only</b> Please provide evidence of the delivery team having experience of delivering two capital projects of similar size and scale in the last five years. (Limit 250 words)</p>	
<p><b>Not applicable</b></p>	

## PART 2 EQUALITY AND DIVERSITY ANALYSIS

2a Please describe how equalities impacts of your proposal have been considered, the relevant affected groups based on protected characteristics, and any measures you propose to implement in response to these impacts. (500 words)

The Highland Council has made an ongoing commitment to address the three elements of the Public Sector Equality Duty to tackle discrimination, to advance equality and to foster good relations. The Highland Council's Programme recognises that Highland has an increasingly diverse population and we welcome people of all faiths, nationalities and backgrounds who wish to live, study, work or visit here. It is one of our strategic goals to protect the vulnerable in our communities, promote fairness and welcome diversity. We aim to work with our partners and with our communities to reduce inequality and tackle poverty and discrimination and embed equality and human rights across all areas of our work.

We will ensure that affected groups with protected characteristics benefit from the activities outlined in this application by:

- **Factoring the needs of affected groups into the building & infrastructure design:** e.g. ensuring that any new buildings & infrastructure we develop can be easily accessed and navigated through by individuals with disabilities and mobility challenges; and by carers of children using prams & buggies; and accounting for the requirements of visually impaired individuals in the design of the signage and way-finding
- **Embedding our values into our procurement practices:** we will put procedures in place to ensure that we only contract with equal opportunities employers, who share our commitments towards equal treatment of individuals irrespective of their age, sex, gender, sexual orientation, religion, or race.
- **Celebrating our diversity:** we the proposals lead to the development of new public open spaces, we will explore opportunities to use these to host events and displays which celebrate the diversity of our local authority area and educate residents around equality issues.

When authorities submit a bid for funding to the UKG, as part of the Government's commitment to greater openness in the public sector under the Freedom of

Information Act 2000 and the Environmental Information Regulations 2004, they must also publish a version excluding any commercially sensitive information on their own website within five working days of the announcement of successful bids by UKG. UKG reserves the right to deem the bid as non-compliant if this is not adhered to.

1. Please specify the weblink where this bid will be published:  
[www.highland.gov.uk](http://www.highland.gov.uk)

## PART 3 BID SUMMARY

3a Please specify the type of bid you are submitting

Single Bid (one project)

Package Bid (up to 3 multiple complimentary projects)

3b Please provide an overview of the bid proposal. Where bids have multiple components (package bids) you should clearly explain how the component elements are aligned with each other and represent a coherent set of interventions (Limit 500 words).

Scotland's North East coastal economy is rapidly changing, with oil & gas activities declining and offshore wind activities growing rapidly.

The Moray Firth is already home to three existing or consented developments (Beatrice, Moray East & Moray West) with a combined capacity of 2.4GW; with four North Sea sites near Caithness (NE2, NE3, NE4 and NE8) expected to generate a further 4GW of capacity.

This will create opportunities for the Wick & Caithness communities, including new jobs in a town with one of the highest unemployment rates in the Highland Council area, and skilled engineering jobs for employees of the Dounreay nuclear site to move onto once it is decommissioned.

However, Wick Harbour is highly exposed to swells whenever there is wind with an easterly component, giving rise to significant wave climate issues, particularly within the larger Outer Harbour. The future prosperity of Wick Harbour, Wick town and Caithness depend on this issue being addressed.

Highland Council therefore seeks funding to **increase the capacity of Wick Harbour** by installing of a High-Water Protection Gate (HWPG) at the entrance to its Outer Harbour. This gate would enable the Outer and Inner Harbours and the town's Marina to be sealed off during periods where wave motion would disrupt operations. This will address the challenges caused by the harbours' exposure to swells, which can render them unusable during winter months. In doing so, it will create additional capacity at the harbour to provide operation & maintenance (O&M) support to vessels engaged in the installation of new offshore wind platforms in the Moray Firth and North Sea.

To complement this investment, and to ensure that the town has the capability to attract and sustain the new investment, employment and population that would come from this opportunity, Highland Council also proposes to **develop new enabling infrastructure to stimulate town centre investment in Wick**: A package of interventions to develop the infrastructure needed to attract offshore wind O&M businesses to the town, and encourage high skilled workers with O&M specialisms to move to the town. These will include:

- **Refurbishment and development of commercial/industrial units:** Acquire one long term vacant commercial property on The Shore and refurbish it to create a modern, fit for purpose commercial end use; and acquire one long term (over 80 years) vacant and derelict site on The Shore and develop new commercial floorspace and light industrial workshops. Both developments will be suitable for offshore wind operation & maintenance business stimulated by the aforementioned increase in capacity of Wick Harbour.
- **Wick Street Design Project:** a community led project to identify opportunities to make Wick High Street more vibrant, more accessible and more welcoming. The project aims of creating warm, welcoming and more attractive public spaces; a comfortable and safe environment to walk, wheel and cycle; better travel experiences through Wick town centre particularly when accessing local facilities; and a sense of identity for the town centre in Wick, drawing on local culture and heritage.

3c Please set out the value of capital grant being requested from UK Government (UKG) (£). This should align with the financial case:	£10,619,125	
3d Please specify the proportion of funding requested for each of the Fund's three investment themes	Regeneration and town centre	100%
	Cultural	%
	Transport	%

## PART 4 STRATEGIC FIT

### 4.1 Member of Parliament Endorsement (GB Only)

See technical note section 5 for Role of MP in bidding and Table 1 for further guidance.

4.1a Have any MPs formally endorsed this bid? If so confirm name and constituency. Please ensure you have attached the MP's endorsement letter.

Yes

No

Jamie Stone, Caithness, Sutherland & Easter Ross

### 4.2 Stakeholder Engagement and Support

See technical note Table 1 for further guidance.

4.2a Describe what engagement you have undertaken with local stakeholders and the community (communities, civic society, private sector and local businesses) to inform your bid and what support you have from them. (Limit 500 words)

The HWPG project is actively supported by Wick Harbour Authority, which is contributing financially to its delivery. It is also supported by the Nuclear Decommissioning Authority, Highlands and Islands Enterprise, Caithness Chamber of Commerce, and the Caithness and North Sutherland Regeneration Partnership, all of whom contributed to the preparation of this application (letters of support are attached).

Highland Council has also engaged with harbour users from across a range of sectors, including engagement with:

- **ten offshore wind contractors:** including businesses involved in seabed clearing; personnel transfer; vessel surveys; cargo surveying; provision of inspection and testing of lifting equipment; and supply & rental of lifting equipment, to understand the Harbour's current and potential future suitability for their business activities
- **six fishing vessel skippers** and/or owners to determine the problems caused by the wave climate in the Outer Harbour; and
- **five leisure boat owners:** to understand the impact of the swell on their mooring decisions, and how the HWPG could impact on this

The Wick Town Centre regeneration proposals are in accordance with the Caithness and Sutherland Town Centre Strategy. The Strategy aims to support the delivery of the Caithness and Sutherland Local Development Plan (CaSPlan) by outlining a number of potential actions that may be undertaken to improve the vitality and amenity of the main town centres in the area. The actions were developed from the findings of the 2018 Town Centre Health Check undertaken by the Council and are structured within the framework established by the Scottish Government's Town Centre Toolkit. The Council consulted on a draft Strategy between 14 June and 23 August 2019. The comments made during this period alongside further engagement with key stakeholders have been taken into account when preparing the final version



of the Strategy. The table below highlights the key stages in the preparation and adoption of the Strategy as Supplementary Guidance.



The Strategy was approved by the two Area Committees in February 2020 and adopted as Supplementary Guidance in October 2020.

4.2b Are any aspects of your proposal controversial or not supported by the whole community? Please provide a brief summary, including any campaigns or particular groups in support or opposition? (Limit 250 words)

There is a small but vocal group of campaigners opposed to the development of offshore wind infrastructure in the North Sea and Moray Firth ([Moray Firth offshore wind – STOP THESE THINGS](#))

Should the proposed infrastructure investments not be made in the Wick economy, and should the community fail to capture any of the economic benefits associated with the offshore wind developments, there is a possibility of these campaigns gaining traction.

4.2c Where the bidding local authority does not have the statutory responsibility for the delivery of projects, have you appended a letter from the responsible authority or body confirming their support?

Yes

No

	<input checked="" type="checkbox"/> N/A
For Northern Ireland transport bids, have you appended a letter of support from the relevant district council	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A

### 4.3 The Case for Investment

See technical note Table 1 for further guidance.

4.3a Please provide evidence of the local challenges/barriers to growth and context that the bid is seeking to respond to. (Limit 500 words)

For a rural town on Scotland's north east coast, Wick has an unusually high value economy. Whilst other north Highland rural communities have suffered from long-term population decline; low-paid employment; and limited job opportunities, Caithness has comparatively thrived due to the requirement for highly skilled and well-paid employment at the Dounreay nuclear decommissioning site and within its supply-chain.

However, the process of decommissioning this site means that this activity is likely to disappear over the next 15 years. As people in such employment are typically mobile, it is essential that future local economic planning prioritises the creation of jobs matched to the skills of the jobs which will be lost.

The burgeoning offshore wind industry is a key yet time-limited opportunity for sustaining high value employment in Caithness. Yet Wick is poorly equipped to capture this owing to:

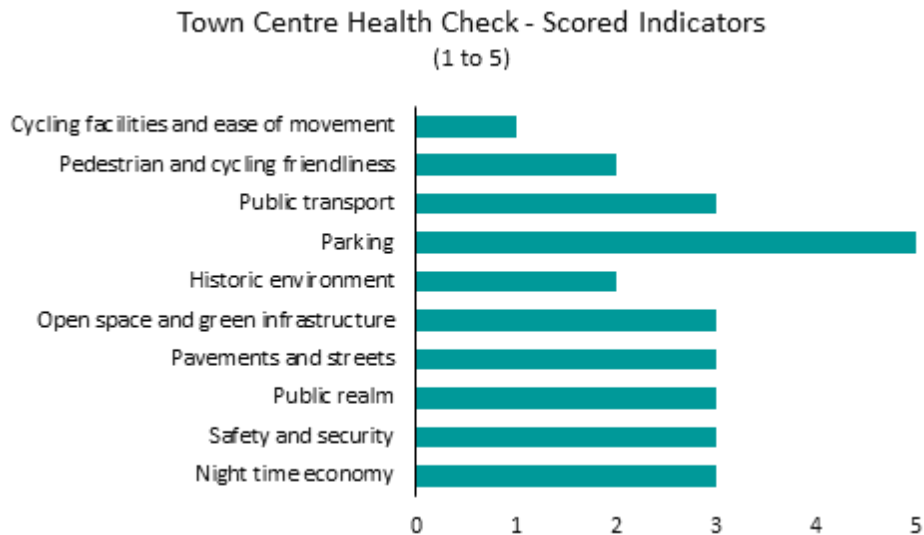
- **Operational constraints at Wick Harbour:** any construction or operation and maintenance (O&M) contractor servicing offshore wind requires a safe harbour to base its vessels, back-office, and staff. Wick Harbour, a trust port operated by Wick Harbour Authority (WHA), is well-placed as a potential base for O&M contractors owing to its geographic proximity to new offshore developments.

However, during heavy winds significant swells enter the harbour and prevent vessels from berthing safely. Leading to frequent closures of Wick's Outer Harbour throughout the year. This represents a long-term constraint for the local economic growth. Unless these are resolved, no future O&M contracts can be secured for the town (see Section 5.1b for more information).

- **Land use constraints for O&M operators:** contractors require a large floor area to house their back office, vessel maintenance, and crew facilities near their harbour base. Wick Harbour is at the centre of the town, just a five-minute walk from the High Street. There are no available development sites adjacent to the harbour.

The Council has identified two dilapidated buildings in the town centre which can be refurbished and brought back into productive use as headquarters for O&M contractors. Abnormal, upfront capital costs will preclude the redevelopment of these assets by O&M contractors themselves, so the Council is seeking funding to ensure that the benefits of growth to the town centre is maximised.

- **Inadequate public realm and placemaking:** the Council carried out a town centre health check which found that substantial areas of Wick’s built environment are in a poor state of repair. Cycling facilities are lacking in availability and movement is often hazardous. Despite its rich heritage and conservation area, the historic environment in the town is poor. These issues are summarised by the scored indicators for Wick town centre, presented below:



Wick is an important retailing centre but nonetheless experiences a higher vacancy rate and the lowest proportion of independent retailers of all Highland town centres. These place-based issues represent a constraint to future growth of the town. Wick must be able to attract and retained skilled workers to maintain its position as a regional economic driver.

4.3b Explain why Government investment is needed (what is the market failure)?  
(Limit 250 words)

As a trust port, Wick Harbour forms part of the UK's national infrastructure and is a public good. While Wick Harbour Authority (WHA) can contribute, it cannot sustainably fund the entire project as its markets do not currently offer the revenue or growth potential to sustainably support the level of capital investment required to resolve the wave climate issue.<sup>1</sup>

The heritage merits of the built environment around the harbour is potentially an asset. However, there are inherent abnormal development costs associated with refurbishing such properties. The Council has successfully implemented both a Townscape Heritage Initiative and a Conservation Area Regeneration Scheme in the area. The whole purpose of this £2.5m public sector intervention was to address 'conservation deficit'. Simply put, this is the amount by which the cost of the repair of a heritage asset exceeds its market value on completion of repair or conversion, allowing for appropriate development costs.

Left alone, the market will not invest redevelop the vacant units for O&M use due to the associated £2 million up-front development costs. If operators were to dock at Wick, it is likely they would find an alternative location at the edge of the town. This would limit the spread of economic benefits from increased activity, preventing the town from capturing these.

The benefits of public realm improvements will be realised by multiple agents. Since no single private enterprise will capture all resulting land value uplift, the business case for a single private enterprise to undertake such works is undermined.

4.3c Please set out a clear explanation on what you are proposing to invest in and why the proposed interventions in the bid will address those challenges and barriers

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<sup>1</sup> Based on a review of the Harbour Authority's financial reports. See business case.

with evidence to support that explanation. As part of this, we would expect to understand the rationale for the location. (Limit 500 words)

### **High Water Protection Gate**

A new High Water Protection Gate (HWPG) will be installed to seal off the Outer Harbour during periods where wave motion would disrupt operations.



*The proposed High Water Protection Gate*

The HWPG has emerged as the preferred way forward through a series of options appraisals, most recently refreshed in 2020 as part of an Outline Business Case.

The construction of the gate will comprise of a beam and slab construction with tubular members spanning between side restraint beams. The raising and lowering of the gate will be by way of hydraulically operated cranked lifting arms which will be used to raise and lower one end of the gate with the other end pivoting on fixed low-level bearings.

The gate will address the wave climate issues in Outer Harbour, allowing vessels to be berthed safely all year round. This will remove the capacity constraint on Wick Harbour, attracting more O&M contractors to provide new skilled jobs in the town centre.

### **Town Centre O&M Bases**

LUF funding will enable the acquisition and redevelopment of two derelict buildings in the town centre:

- **No 1 The Shore:** formally the home of Wick College, this building has laid vacant site since 2017.
- **CaSPlan WK11:** this former herring curing yard, dating back to the early 19<sup>th</sup> Century, and also on the Shore, has been vacant and derelict for many years. Its redevelopment is advocated in the Caithness and Sutherland LDP



*No 1. The Shore*



*CaSPlan WK11*

Redevelopment will provide 3,100m<sup>2</sup> of new commercial floorspace suitable for O&M operators. This will help root new jobs in Wick town centre, ensuring the economic benefits generated at the harbour are spread throughout Wick.

### **Public Realm Improvements**

Finally, LUF investment will deliver the Wick Street Design Project which has been under development by Sustrans Scotland, the Highland Council, and the Royal Burgh of Wick Community Council.

An overview of these designs can be found here, including a 3D model video tour. The drawing overleaf summarises what is being proposed at this stage.





4.3d For Transport Bids: Have you provided an Option Assessment Report (OAR)

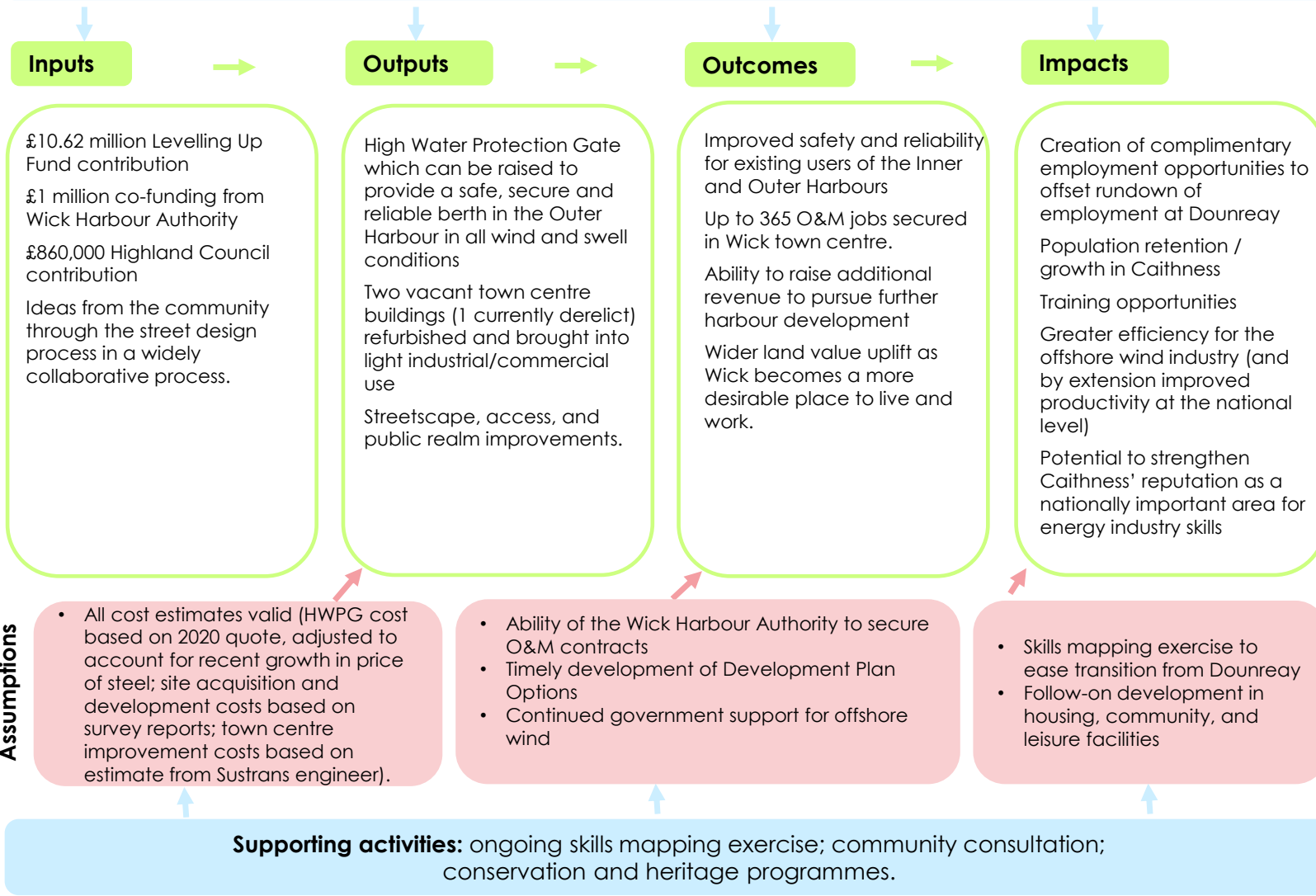
Yes

No

4.3e Please explain how you will deliver the outputs and confirm how results are likely to flow from the interventions. This should be demonstrated through a well-evidenced *Theory of Change*. Further guidance on producing a Theory of Change can be found within [HM Treasury's Magenta Book](#) (page 24, section 2.2.1) and [MHCLG's appraisal guidance](#). (Limit 500 words)

The Council is confident that its intervention will help to deliver high-quality outcomes and results. We illustrate how we anticipate that the desired results will flow from the proposed interventions in the theory of change model below.

**Context:** time-limited opportunity for economic growth, with at-risk skills base orientated around Dounreay and window of opportunity around anticipated growth in offshore wind markets. Constraints on growth through undesirable town centre with low quality public realm.



## 4.4 Alignment with the local and national context

See technical note Table 1 for further guidance.

4.4a Explain how your bid aligns to and supports relevant local strategies (such as Local Plans, local economic strategies or Local Transport Plans) and local objectives for investment, improving infrastructure and levelling up. (Limit 500 words)

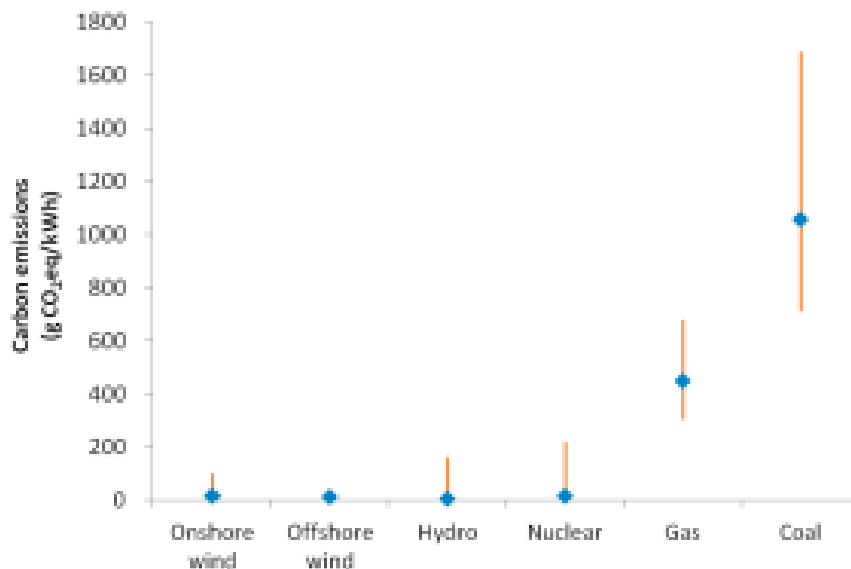
The proposal aligns with Highland Council and its partners local strategy documents, including:

- **The Highland Council Corporate Plan (2017-2022):** The plan sets out the Council’s ambition to “maximise the economic potential of the Highlands”, and includes a commitment to “work with the public, private and 3rd sector stakeholders to strengthen our infrastructure”, both of which will be supported by this proposal.
- **Highland Council’s Caithness and Sutherland Local Development Plan (2018):** the HWPG proposal align with the plan’s objective to “support the expansion of Wick Harbour to attract renewable energy sector opportunities which will help to revitalise the local economy”. The wider town centre investments also align with the plan’s commitments to ‘encourage all footfall generating uses towards the town centre’; ‘consolidate the existing town’ by promoting developments within the town centre boundary; and “conserve and promote the history and heritage of the town and surrounding area to help create a positive image and attract more visitors.”
- **Wick Active Travel Masterplan (2020):** the Masterplan identifies the Wick Street Design project, which this application seeks to fund, as an active travel investment priority for the town.
- **Highlands and Islands Enterprise 2019-2022 Strategy:** the proposal supports the strategy’s commitments to “secure supply chain opportunities from energy developments including ... major offshore wind farms” and to “invest in enabling infrastructure to support business and community growth”
- **The Future of Energy in Scotland: Scottish Energy Strategy (2017):** note the economic importance of renewable and low-carbon energy production, which employs 58,500 people in Scotland and contributes £10.5 billion to Scotland’s economy. It also highlights the need for “the transition to a low carbon economy over the coming decades to happen in a way that tackles inequality and poverty, and promotes a fair and inclusive jobs market”; and commits the Scottish Government to take action to ensure that Scotland has the infrastructure and skills needed to make the planned energy transition work.
- **Scotland’s National Marine Plan (2014):** The proposals contribute to the plans’s objectives to support “sustainable development of offshore wind, wave and tidal renewable energy in the most suitable locations”; and to ensure that the “economic benefits from offshore win, wave and tidal energy developments is maximised by securing a competitive local supply chain in Scotland”

4.4b Explain how the bid aligns to and supports the UK Government policy objectives, legal and statutory commitments, such as delivering Net Zero carbon emissions and improving air quality. Bids for transport projects in particular should clearly explain their carbon benefits. (Limit 250 words)

The project will support the UK Government's ambitions of achieving net zero carbon emissions by:

- **Supporting the development of the UK's offshore wind sector:** the proposal will form part of the enabling infrastructure necessary to support the delivery of the NE2, NE3, NE4 and NE8 offshore wind plan option sites, which have a collective potential to generate 4GW of energy. These sites will be capable of generating a carbon saving of c. 400g-1kg of CO<sub>2</sub> for each kWh of energy produced<sup>2</sup> relative to energy derived from gas or coal, meaning that the proposed new development will generate a carbon saving of c. 1.6-4 kilotonnes Co<sub>2</sub> saving per hour of operation.



- **Reducing the volume of embedded carbon in the UK's offshore wind infrastructure:** While offshore wind development itself is helping to decarbonise our energy systems, the industry must focus on where it has the potential to reduce its own carbon footprint. To achieve this, Wick has the necessary competitive advantage and building blocks to enable the reduction of travel time, distance and fuel consumption to the offshore sites. The efficiency savings will help to drive consequent reductions in carbon per MW generated relative to other locations such as Aberdeen, Peterhead and Fraserburgh. Investment in a wave climate solution at Wick will help to support the Scottish Governments long-term carbon reduction ambitions by supporting greater efficiencies within the industry.

<sup>2</sup> Source: Thomson C et al (2015), *Life Cycle Costs and Carbon Emissions of Offshore Wind Power*, p.37, [https://www.climatechange.org.uk/media/1461/main\\_report\\_-\\_life\\_cycle\\_costs\\_and\\_carbon\\_emissions\\_of\\_offshore\\_wind\\_power.pdf](https://www.climatechange.org.uk/media/1461/main_report_-_life_cycle_costs_and_carbon_emissions_of_offshore_wind_power.pdf)

4.4c Where applicable explain how the bid complements / or aligns to and supports other investments from different funding streams. (Limit 250 words)

The project will align with the proposals to develop the North Coast 500 tourism route through the town, which are subject to a separate Levelling Up Fund application.

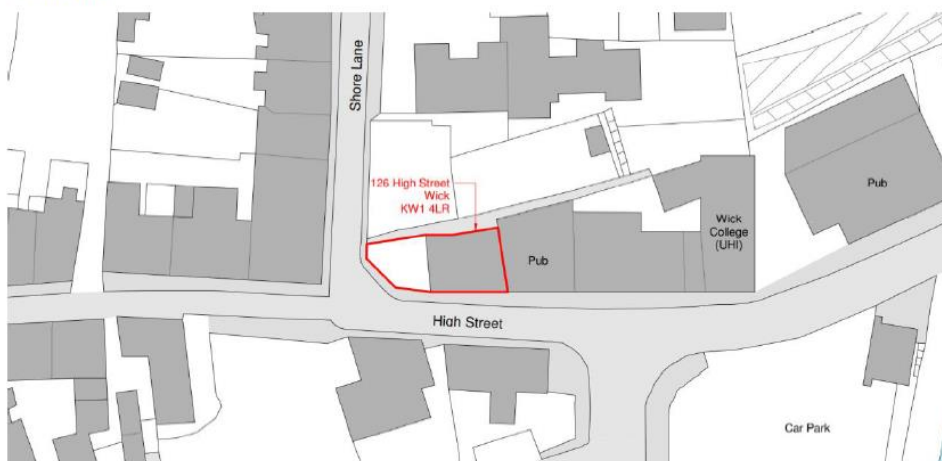
In addition to the investment referred to in 4.3b, the Council reaffirmed its commitment to the regeneration of Wick Town Centre in 2012 when it embarked on an £8.5m refurbishment of a listed building to create a new Council headquarters in the heart of the town centre.

This commitment to town centre regeneration remains unwavering. More recently the Council invested £90,000 of its Town Centre Fund grant in acquiring and demolishing the dilapidated 126 High Street property to create a development opportunity in the town centre. This property is located on the same block as No.1 The Shore which forms part of this bid. The property is now in the ownership of Wick Development Trust who will take forward community-led regeneration proposals for the site.

126 HIGH STREET, WICK



SITE PLAN



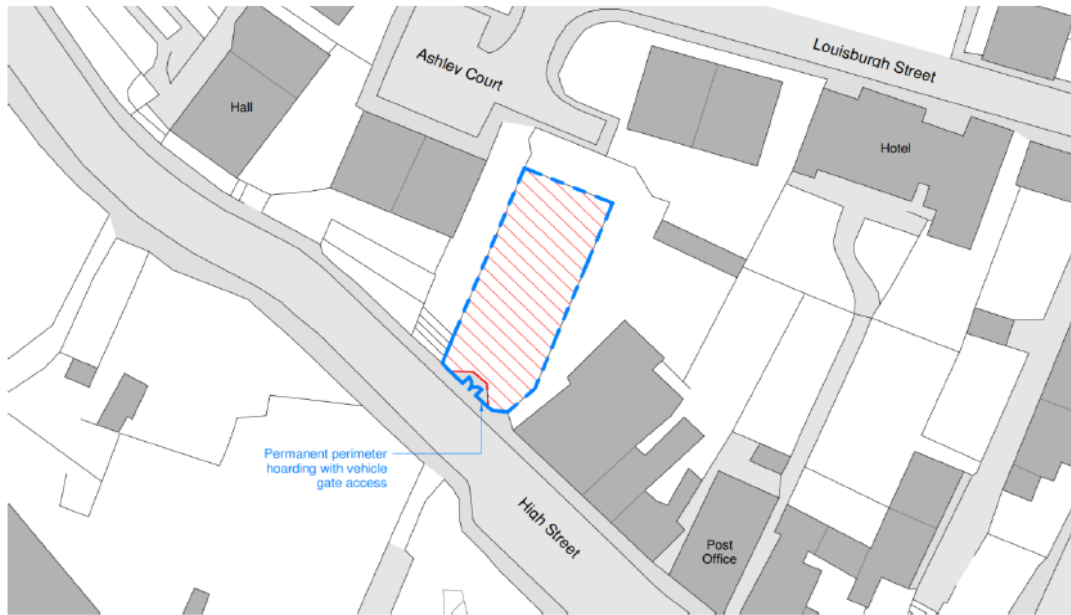


In addition to 126 High Street, the Council have executed an identical project to the west at 30 High Street. The investment on this occasion was £165,000 from the Council's Vacant and Derelict Land Fund (VDLF) grant.

30 HIGH STREET, WICK



## SITE PLAN



Since 2008, the Council has invested £1.5m of its VDLF grant in Wick. The sole purpose of the grant is to bring long term vacant and derelict property back into productive use.

Discussions are also currently underway with Sustrans, the Nuclear Decommissioning Authority and Highlands & Islands Enterprise about what complementary support they could provide to support Wick's regeneration.

4.4d Please explain how the bid aligns to and supports the Government's expectation that all local road projects will deliver or improve cycling and walking infrastructure and include bus priority measures (unless it can be shown that there is little or no need to do so). Cycling elements of proposals should follow the Government's cycling design guidance which sets out the standards required. (Limit 250 words)

The Wick Street Design Project has been funded and supported to date by the Sustrans Scotland 'Places for Everyone' programme. The aim of Places for Everyone is to create safe, attractive, healthier places by increasing the number of trips made by walking, cycling and wheeling for everyday journeys. Places for Everyone contributes to the Scottish Government's aim for a healthier, environmentally sustainable nation with a strong economy and communities, as laid out in the National Performance Framework.

All of the cycling infrastructure that will be developed as part of this intervention will be designed in a manner that is consistent with Transport Scotland's *Cycling by Design (2020 edition)*<sup>3</sup> guidance

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<sup>3</sup> <https://bit.ly/3g41sOZ>



## PART 5 VALUE FOR MONEY

### 5.1 Appropriateness of data sources and evidence

See technical note Annex B and Table 1 for further guidance.

All costs and benefits must be compliant or in line with [HMT's Green Book](#), [DfT Transport Analysis Guidance](#) and [MHCLG Appraisal Guidance](#).

5.1a Please use up to date evidence to demonstrate the scale and significance of local problems and issues. (Limit 250 words)

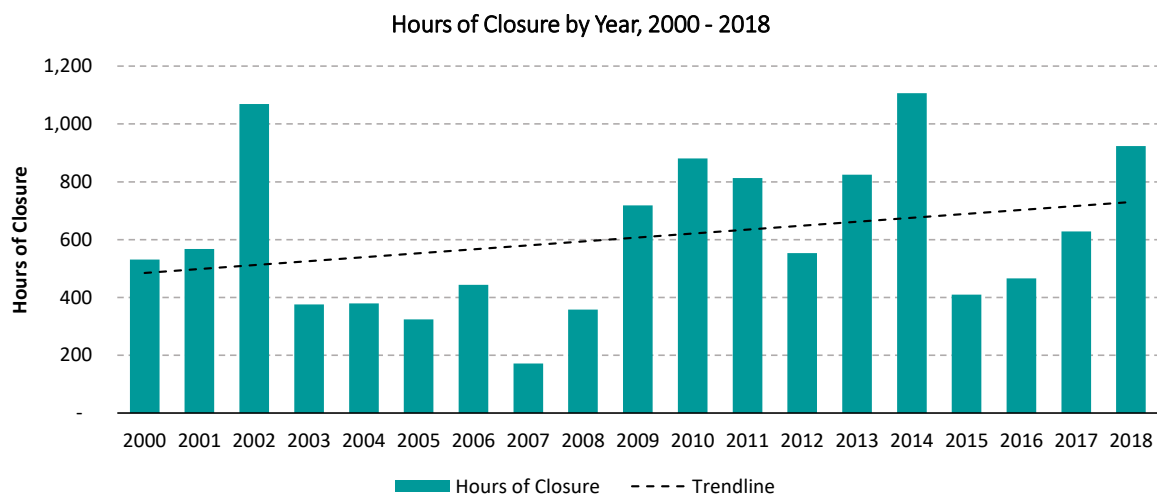
Problems at Wick Harbour stem from its exposure to easterly winds and associated swells, which make berthing in the Outer Harbour untenable for periods and can lead to the closure of the harbour in its entirety.



Swell entering the Outer Harbour

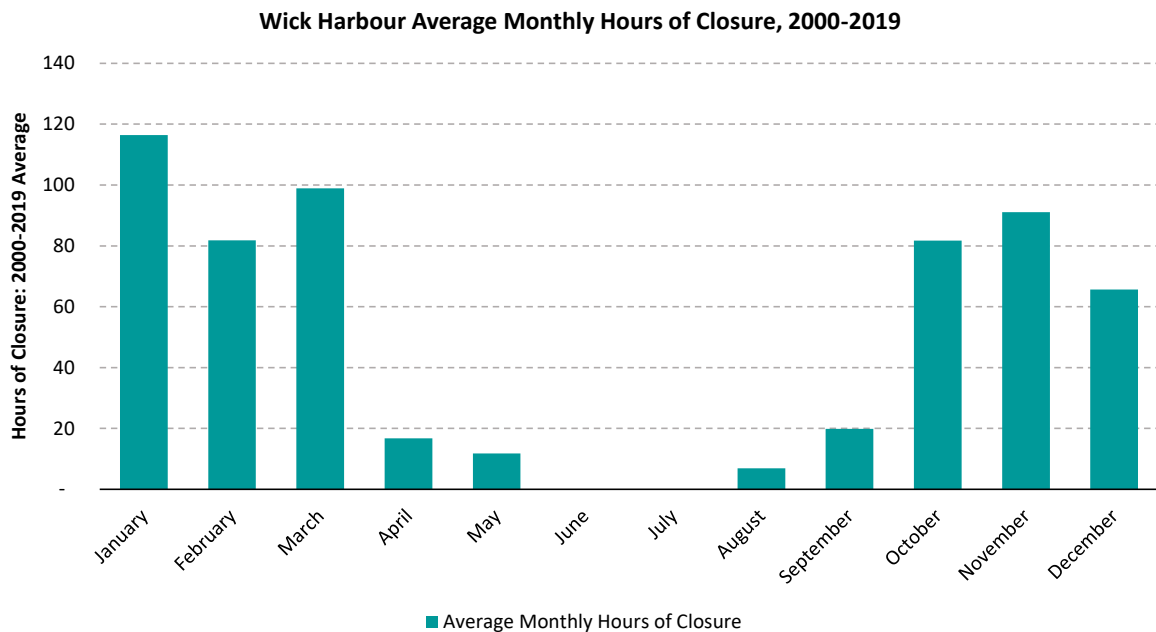
The orientation of Wick Harbour exposes it to almost all winds with an easterly component. This can lead to significant swells entering the harbour, precluding safe berthing. As vessels cannot berth safely year-round, the Outer Harbour cannot be reliably developed for regular and frequent use.

The figure below shows that a significant number of hours are lost to harbour closures each year. Analysis of the raw data shows that closures can last for several successive days.



There is considerable year-on-year variability in the total number of hours in which the harbour is closed – giving rise to a challenge around reliability for users. Despite this, there is a steadily rising trend in closures. This is expected to continue given increased severe weather events associated with climate change.

The distribution of closures across the year clearly highlights the seasonality of the problem.



This uncertainty acts as a deterrent to use the harbour. Again, it is important to note that wave motion in the Outer Harbour is problematic even when the harbour is open but, following the above trends, will typically be more problematic in winter.

Addressing these issues will create economic opportunities to address the socio-economic challenges for the town highlighted in response 5.1b.

5.1b Bids should demonstrate the quality assurance of data analysis and evidence for explaining the scale and significance of local problems and issues. Please demonstrate how any data, surveys and evidence is robust, up to date and unbiased. (Limit 500 words)

Highland Council's *Town Centre Health Check*<sup>4</sup> provides a robust and impartial overview of the scale and significance of local problems and issues in Wick. It shows that:

- Vacancy rate (14%) are above the Highland town centre average (10%)
- local/independent retailers account for 52% of the towns retail businesses, substantially below the Highland town centre average of 74%
- The town's historic environment was assessed as poor (2 out of 5), and it was observed that "notable areas of vacancy and dereliction affect parts of the town centre, especially at the harbour and the A99 section of the High Street. Weeds grow from some buildings and a number are vacant with smashed windows."
- Cycling facilities and ease of movement was assessed as very poor (1 out of 5), and it was noted that "Wick is not part of any National Cycle Route, no dedicated lanes or paths were seen and no storage or posts noted. The junction of Bridge Street and High Street forms a sharp turn and could be hazardous due to poor visibility round the corner."
- Pedestrian/cycle friendliness was assessed as very poor (2 out of 5), and it was noted that "although a crossing is in place, the junction of Bridge Street and High Street forms a sharp turn with poor visibility and could be hazardous. Wick Bridge forms a pinch point for traffic and levels are consequently high, fast moving and loud. Pavements are narrow in places but the eastern end of High Street, arguably the town's core, has been pedestrianised."
- Public transport was assessed as average (3 out of 5), and it was noted that "a bus route runs through the town centre and the town is served by a railway station. This connectivity is tempered, however, by the fact that the town is remote from Inverness and journey times are long. Services are often infrequent."
- Parking was assessed as very good (5 out of 5), and it was noted that "a number of substantial car parks ensure that parking is not a problem. A large area to the west of Bridge Street is open 24 hours per day"

5.1c Please demonstrate that data and evidence chosen is appropriate to the area of influence of the interventions. (Limit 250 words)

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4

<https://highland.maps.arcgis.com/apps/MapJournal/index.html?appid=02347159886c44c58ec831359db2f24f>

All issues identified are evidenced by local data specific to Wick and consultations with key stakeholders and businesses operating within this area. While the proposals are likely to contribute to the levelling up of wider areas, including Caithness, the Highlands, and the UK as a whole – their economic impacts will be felt strongest in the town.

Our assessment of the offshore wind opportunity and associated outputs and impacts is based on the experience of Wick Harbour as an O&M base for the BOWL development.

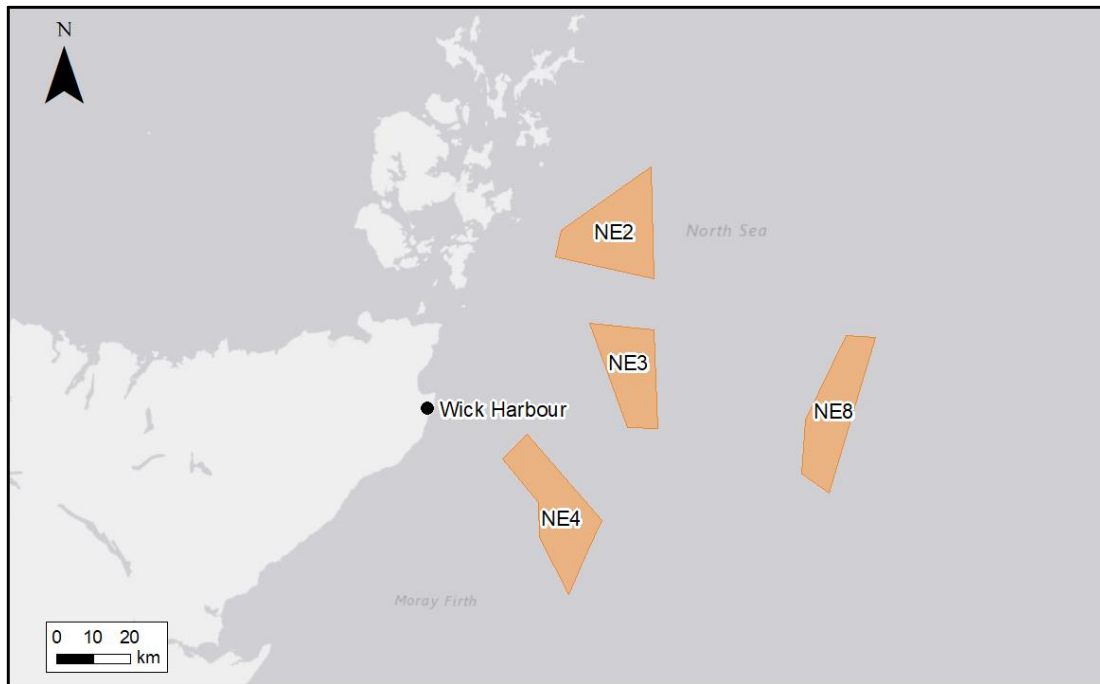
## 5.2 Effectiveness of proposal in addressing problems

5.2a Please provide analysis and evidence to demonstrate how the proposal will address existing or anticipated future problems. Quantifiable impacts should usually be forecasted using a suitable model. (Limit 500 words)

## Offshore Wind

The offshore wind market is expanding rapidly, creating both direct and supply-chain opportunities. The Moray Firth and North Sea are a major focus for this activity leading to significant but time-limited opportunities for Wick Harbour.

WHA has identified four Plan Options, in addition to the above opportunities, in the north-east marine region which it is well placed to serve. The location of these Plan Options are shown below:



*Marine Plan Options which Wick Harbour may service.*

Securing O&M contracts for offshore wind at Wick Harbour will bring a range of skilled jobs to Caithness. We estimate that, without even considering NE2 and NE8, between 80 and 285 jobs can be created at Wick, depending on how many O&M contracts WHA can secure.

## Town Centre Regeneration

Proposals seek to address issues highlighted in 4.3

The Highland Council has a track record in delivering heritage led regeneration in Wick through the Conservation Area Regeneration Scheme (CARS). This has regenerated 33 buildings in the area surrounding the harbour and led to the creation of approximately 80 construction jobs and related training opportunities.

One of the 33 buildings referred to above is what is known locally as 'Harbour Quay'. Essentially the Council speculatively invested £737k in land assembly, building stabilisation works and external repairs to enhance the development potential of a long term vacant and derelict site.

The development of the Beatrice offshore windfarm, Scotland's largest operational offshore wind farm, located approximately 13km from the Caithness coast, provided an opportunity to attract SSE to set up base in Wick and utilise the 'Harbour Quay' property as their operation and maintenance HQ for the Beatrice windfarm.

This model is precisely what the Council is seeking to replicate at The Shore. The condition of both long term vacant and derelict properties/sites are currently unattractive to the marketplace. Public sector intervention is required to remove the uncertainty and provide the confidence to stimulate inward investment. By providing fit for purpose commercial/light industrial premises at The Shore, the Council will create the appropriate conditions to attract companies seeking to set up North Sea offshore operation and maintenance bases.

The Wick Street Design Project seeks to address existing issues raised during consultation :

- **Reduce vehicle through traffic through traffic calming measures:** addressing perceptions of car-dominance.
- **Provide wider pavements and safer crossings:** addressing safety concerns in the town centre.
- **Deliver new pedestrian and cycle routes:** prioritising pedestrians and encouraging modal shift to active travel.
- **Deliver artwork and engaging design features:** improving the town centre as a place to dwell, rather than to simply pass through.
- **Provide signage and town maps:** linking to the town's history and heritage to create a better sense of place.

Taken together, these improvements are likely to increase the desirability of Wick as a place to live. This will act as an important pull factor in retaining population associated with the skilled jobs created at Wick Harbour and in its related supply chain.

5.2b Please describe the robustness of the forecast assumptions, methodology and model outputs. Key factors to be covered include the quality of the analysis or model (in terms of its accuracy and functionality) (Limit 500 words)

The economic impacts of the HWPG depend on two key assumptions:

1. The number of O&M operators using Wick Harbour
2. The number of staff required to fulfil an O&M contract.

**O&M Contracts Secured**

WHA has identified four core opportunities for O&M contracts, Moray East, Moray West, NE3, and NE4. These developments have a combined capacity of 3.8 GW and are anticipated to be in the region of 340 – 350 turbines.

It is unknown at this stage how many of these developments WHA can secure, but all rely on increased harbour capacity. For the purposes of this economic appraisal, we have weighted each opportunity by the likelihood that Wick Harbour will be able to attract business from it. The probability assigned to each opportunity is described by the table below.

Opportunity	Weighting	Rationale
Moray East	High (50%)	It is expected that WHA will be able to support Moray East & Moray West construction work over the next few years, especially if the HWPG is installed. It is anticipated that Fraserburgh is unlikely to support any more crew transfer vessels (CTVs) to Moray East because of distance and cost of running.
Moray West	High (50%)	
NE3	Medium (35%)	Engagement with offshore windfarm operators and owners has indicated that the installation of a HWPG would significantly increase Wick Harbour’s chances of securing additional O&M bases and associated CTV contracts. The medium weighting applied reflects a conservative estimate of potential additional business attracted because of the Harbour’s proximity to these developments.
NE4	Medium (35%)	

The appraisal therefore distributes partial benefits from all developments. In practice, the Harbour Authority will be able to attract a selection of these, yielding all benefits from one or more contracts. The implications of this on the BCR are discussed in Section 5.5c.

### ***Jobs per O&M Contract***

A recent literature review found that Offshore Wind generates between 0.5 and 15.6 jobs for every MW generated.<sup>5</sup> This suggests that the windfarms identified have the potential to generate at least 2,400 jobs through their lifespan.

Our estimates for supporting employment are based on comparator developments and the experience of Wick Harbour in its current role as the O&M base for Beatrice Offshore Wind Ltd (BOWL). Our estimates are significantly lower than the estimates indicated in academic literature.

Further, the HWPG will allow Wick Harbour to be used as a base for offshore wind construction and crew transfer all year-round, which will make it a more attractive proposition to potential occupiers. While it is recognised that the HWPG would allow for greater levels of activity during summer months, arguably the Harbour already attracts additional business in the summer months. However, in the future it is very unlikely that the Harbour Authority would secure a new and permanent O&M base for upcoming windfarm projects just for summer campaigns.

To account for this, we have modelled the additional benefits of offshore wind construction and crew transfer employment in just the six 'winter months' of the year (i.e. a very conservative approach has been adopted).

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<sup>5</sup> Aldieri et. al. (2019). Wind Power and Job Creation. Sustainability, 12, 45.



### 5.3 Economic costs of proposal

5.3a Please explain the economic costs of the bid. Costs should be consistent with the costs in the financial case, but adjusted for the economic case. This should include but not be limited to providing evidence of costs having been adjusted to an appropriate base year and that inflation has been included or taken into account. In addition, please provide detail that cost risks and uncertainty have been considered and adequately quantified. Optimism bias must also be included in the cost estimates in the economic case. (Limit 500 words)

#### Overview

The total discounted LUF request is £15.5 inclusive of inflation and Optimism Bias (OB) at 30%. The total discounted public sector co-funding is £1.1 million inclusive of inflation and OB. The total discounted private sector co-funding is £1.2 million inclusive of inflation and OB. Therefore, the total discounted cost of the project is £15.5 million inclusive of inflation and OB.

#### Discounting

Capital costs have been phased from Q4 2021 to Q1 2024 with reference to the delivery programme. These are then discounted to the 2021 base year at the Green Book social time preference rate of 3.5% annually.

#### Inflation

Inflation has been applied to all capital costs. This uses the Consumer Price Index (CPI) forecasts published by the Office for Budget Responsibility in its Economic and Fiscal Outlook – March 2021. These estimates suggest that inflation will rise steadily from 1.2% p.a. in 2021 to the Bank of England target of 2% p.a. by 2025. For the HWPG, we have assumed that inflation will be significantly higher due to rising materials prices.

This suggests that the undiscounted capital cost of £11.4 million (inclusive of all co-funding) will rise by £1.1 million to £12.5 million over the buildout period.

#### Cost risks and uncertainty

Capital costs of the HWPG were estimated as part of the OBC and have been updated for inclusion in this bid. As the project has progressed through detailed design, its materials and labour requirements have been estimated to a high degree of certainty.

The principal cost risk is therefore market uncertainty. Fluctuating materials prices may increase the capital cost. To account for this, the economic costs include Optimism Bias at 30% of all capital costs, including inflation. The Highland Council will manage Optimism Bias downwards as the project progresses as more a detailed assessment of costs is possible.

## 5.4 Analysis of monetised costs and benefits

5.4a Please describe how the economic benefits have been estimated. These must be categorised according to different impact. Depending on the nature of intervention, there could be land value uplift, air quality benefits, reduce journey times, support economic growth, support employment, or reduce carbon emissions. (Limit 750 words)

The following impacts have been estimated:

- **Harbour growth impacts:** representing employment supported by the operation of new O&M contracts from Wick Harbour. This has been informed by a review of proposed offshore wind developers and through consultation with potential contractors.
- **Construction benefits:** representing the employment impacts associated with temporary increased turnover to the construction sector from public sector investment.
- **Land value uplift:** representing stimulated economic activity nearby and the increased desirability of Wick as a place to work and live.

All impacts have been adjusted for additionality.

### Harbour Growth Impacts

The HWPG will increase the capacity of Wick Harbour to support the O&M of offshore wind development. This will bring high skilled jobs to Wick and contribute to the local economy through additional GVA.

Total impacts depend on how many O&M contracts the Harbour Authority can secure from these developments. The O&M market for offshore wind predominately uses crew transfer vessels (CTVs) to service turbines.

WHA anticipate it can service Moray East, Moray West, NE3, and NE4. For the purposes of this appraisal, we have weighted each opportunity by the likelihood that Wick Harbour will be able to attract business from it.

The jobs likely to be based at Wick Harbour can be described by three categories:

- **Crew transfer:** technicians employed on CTVs who perform physical maintenance.
- **Supporting:** back-office support who administer and supervise the O&M.
- **OWF construction:** contractors using the Harbour to reach offshore construction sites.

We have estimated crew transfer employment through the number of CTVs required to service each proposed windfarm. Our estimates for supporting employment are based on comparator developments and the experience of Wick Harbour as the O&M base for BOWL.

The four opportunities are anticipated to support 365 gross jobs. Adjusted for the probability that Wick Harbour secures this work this equals 160. Adjusted for additionality, this is equivalent to 90 net jobs.<sup>6</sup>

These benefits have been monetised as GVA by multiplying each net job by the average productivity of the Scottish water transportation market (£91,000 GVA per worker) from the assumed year of operation.<sup>7</sup> These impacts are then discounted to attain the NPV GVA.

The tables below summarise this process.

#### *Phasing of opportunities*

Offshore Development	Assumed Construction	Assumed start year
Moray East	2020 – 2021	2021
Moray West	2024 – 2025	2025
NE3	2025 – 2027	2027
NE4	2026 – 2028	2028

#### *Weighted probabilities and jobs*

Offshore Development	WHA Probability	Gross Jobs	Adjusted	Net Jobs
Moray East	High (50%)	115	60	35
Moray West	High (50%)	85	45	25
NE3	Medium (35%)	85	30	15
NE4	Medium (35%)	80	30	15

#### *NPV GVA*

	Wick and Caithness	Highland	UK
Crew transfer	£24.9m	£13.7m	£8.1m
Supporting employment	£22.4m	£12.3m	£7.3m
<b>Total</b>	<b>£47.3m</b>	<b>£26.0m</b>	<b>£15.4m</b>

#### **Land Value Uplift**

The building refurbishment and public realm proposals will have an indirect impact on land values nearby.

A survey of properties has identified 8,919 m<sup>2</sup> of commercial floorspace in the immediate town centre, and a further 26,106 m<sup>2</sup> in the rest of Wick in addition to 3,311 residential units. Any uplift in adjacent land values is likely to be greatest in the town centre.

<sup>6</sup> Owing to displacement from other harbours and ports, the net impacts to the Highland local authority area and to Scotland are fewer. Based on the assumptions above, we anticipate this investment will support 35 additional jobs to the Highland local authority area and 20 to Scotland as a whole.

<sup>7</sup> Scottish Government (2020). *Scottish Annual Business Statistics*.

Reflecting this, we have modelled town centre properties as increasing in value by 1.5% and other properties by 0.5%.<sup>8</sup> Assuming the uplift lasts for five years, this results in LVU of £2.5 million PV.

### **Construction Impacts**

LUF investment will generate benefits to the construction sector from increased turnover and business opportunities. These have been monetised as value-added following an additionality assessment.

To calculate net construction employment, the impact model applies the average turnover required to support an additional job in the local construction sector (£106,684) to the profile of capital expenditure.<sup>9</sup> These benefits are then monetised by applying the average GVA per construction worker (£46,751). This is anticipated to yield £2.5 million in NPV GVA.

5.4b Please complete Tab A and B on the **appended excel spreadsheet** to demonstrate your:

Tab A - Discounted total costs by funding source (£m)

Tab B – Discounted benefits by category (£m)

These have been appended.

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<sup>8</sup> MHCLG undertook a literature review in 2020 around wider LVU and concluded that the impact is strongest within 500 metres and that a 1.5% uplift on nearby properties is a “reasonable ceiling figure”. See: Bhabra, J. (2020). *Wider Land Value Uplift*.

<sup>9</sup> Based on Standard Industrial Classification 2007 sector F. Scottish Government (2020). Scottish Annual Business Statistics; ONS (2020). Business Register and Employment Survey.

## 5.5 Value for money of proposal

5.5a Please provide a summary of the overall Value for Money of the proposal. This should include reporting of Benefit Cost Ratios. If a Benefit Cost Ratio (BCR) has been estimated there should be a clear explanation of how this is estimated in a methodology note. Benefit Cost Ratios should be calculated in a way that is consistent with [HMT's Green Book](#). For non-transport bids it should be consistent with [MHCLG's appraisal guidance](#). For bids requesting funding for transport projects this should be consistent with [DfT Transport Analysis Guidance](#). (Limit 500 words)

The table below summarises the Value for Money of the proposal, balancing the net present value benefits and the economic costs.

Central benefits (NPV £m's)		
	Harbour growth impacts	47.3
	Construction sector benefits	2.5
	Land value uplift	2.5
<b>A</b>	<b>Present value benefits</b>	<b>52.3</b>
Present value costs (NPV £m's)		
	LUF request	9.1
	Inflation	1.0
	Optimism Bias	3.0
<b>B</b>	<b>Total LUF cost</b>	<b>13.2</b>
C	Public sector co-funding	0.8
	Optimism Bias on co-funding	0.2
<b>D</b>	<b>Total public sector cost</b>	<b>14.3</b>
	Private sector cost	1.0
	Optimism Bias on private sector costs	0.3
<b>E</b>	<b>Total private sector cost</b>	<b>1.2</b>
Value for money		
<b>(A - E) / B</b>	<b>BCR on Levelling Up Fund grant</b>	<b>3.9</b>
<b>(A - E) / D</b>	<b>BCR on all public sector costs</b>	<b>3.6</b>

When considered against the LUF grant, the proposal returns very high Value for Money. It is anticipated to return £3.9 of benefits for every £1.0 of LUF grant invested, inclusive of Optimism Bias.

Considered against all public sector costs, the proposal also returns high Value for Money with a BCR of 3.6.

5.5b Please describe what other non-monetised impacts the bid will have, and provide a summary of how these have been assessed. (Limit 250 words)

In addition to the above monetisable benefits, the following qualitative benefits are also expected:

- **Complimentary Employment Opportunities:** the delivery of a proactive offshore wind market development strategy, to identify other complimentary new employment opportunities aligned with the skills base in Caithness
- **Supply chain development:** for a highly rural area, Caithness has a deep and highly skilled supply-chain which has grown-up around the nuclear industry. The development of the offshore wind servicing market in Wick Harbour would create new opportunities for local contractors. There would also be more local business growth ranging from hotels and house rentals to increased local retail spend.
- **Training and apprenticeships:** development of a significant offshore wind support cluster in Wick would provide good opportunities for young people to obtain technical and managerial / administrative skills in an industry with high growth potential. Moreover, it will also provide an opportunity for retraining employees leaving the nuclear industry behind
- **Population:** sustaining and building on the nuclear legacy is key for Caithness in at least maintaining its current demographics. Developing a cluster of offshore wind support activity at Wick would represent a positive contribution towards this.
- **Productivity:** the Harbour's strategic location will reduce the time, cost, and flexibility of trips to offshore windfarms. It will also support the reduction of carbon per MW generated due to proximity to the windfarms, supporting more fuel-efficient CTV journeys.
- **Caithness' Reputation:** development of a significant offshore wind support cluster in Wick would enhance Caithness' reputation as a nationally important area for energy-related skills.

5.5c Please provide a summary assessment of risks and uncertainties that could affect the overall Value for Money of the bid. (Limit 250 words)

Most project benefits relate to the growth of Wick Harbour, assuming it can attract O&M operators to service new offshore wind developments. The economic appraisal distributes likely benefits from all four offshore developments based on an assessment of how likely it is that Wick Harbour will attract O&M operators for each. In practice, the Harbour Authority will be able to attract a selection of these, yielding all benefits from one or more contracts.

We have modelled a series of scenarios which show the likely economic impacts of attracting one or more of the offshore wind developments to Wick Harbour.

	Wick and Caithness		Highland		UK	
	NPV GVA	BCR	NPV GVA	BCR	NPV GVA	BCR
Moray East only	£55.2m	3.8	£33.7m	2.3	£22.6m	1.5
Moray West only	£41.7m	2.8	£27.9m	1.9	£20.1m	1.3
NE3 only	£41.9m	2.8	£29.1m	2.0	£21.5m	1.4
NE4 only	£40.7m	2.8	£28.9m	1.9	£21.6m	1.4
Moray East and West	£78.0m	5.4	£45.8m	3.1	£29.6m	2.0
Moray East, West and NE3	£97.3m	6.7	£56.4m	3.9	£35.8m	2.4
NE3 and NE4	£56.6m	3.9	£36.9m	2.5	£26.0m	1.7

Under most of the single development scenarios, the BCR at a UK level remains above 1.0. This suggests that Wick Harbour must attract an O&M base for just one offshore wind development to return good Value for Money.

This exercise also demonstrates the potential of Wick Harbour to deliver up to £97.3 million in NPV GVA to Wick and Caithness over the next 15 years.

5.5d For transport bids, we would expect the [Appraisal Summary Table](#), to be completed to enable a full range of transport impacts to be considered. Other material supporting the assessment of the scheme described in this section should be appended to your bid.

Not applicable

## PART 6 DELIVERABILITY

### 6.1 Financial

See technical note Table 1 for further guidance.

6.1a Please summarise below your financial ask of the LUF, and what if any local and third party contributions have been secured (please note that a minimum local (public or private sector) contribution of 10% of the bid costs is encouraged). Please also note that a contribution will be expected from private sector stakeholders, such as developers, if they stand to benefit from a specific bid (Limit 250 words)

The total cost of the bid is £12,479,125 with financial ask of LUF is |£10,619,125 . The total co-funding contribution will be £1,860,000, ( £1 million contribution from Wick Harbour Authority, and £860,000 of Council borrowing)

6.1b Please also complete Tabs C and D in the **appended excel spreadsheet**, setting out details of the costs and spend profile at the project and bid level in the format requested within the excel sheet. The funding detail should be as accurate as possible as it will form the basis for funding agreements. Please note that we would expect all funding provided from the Fund to be spent by 31 March 2024, and, exceptionally, into 2024-25 for larger schemes.

These are appended

6.1c Please confirm if the bid will be part funded through other third-party funding (public or private sector). If so, please include evidence (i.e. letters, contractual commitments) to show how any third-party contributions are being secured, the level of commitment and when they will become available. The UKG may accept the provision of land from third parties as part of the local contribution towards scheme costs. Where relevant, bidders should provide evidence in the form of an attached letter from an independent valuer to verify the true market value of the land.

Yes

No



6.1d Please explain what if any funding gaps there are, or what further work needs to be done to secure third party funding contributions. (Limit 250 words)

Should this application be successful, there will be no funding gaps for the project, and work can proceed immediately.

6.1e Please list any other funding applications you have made for this scheme or variants thereof and the outcome of these applications, including any reasons for rejection. (Limit 250 words)

This is the first time The Highland Council has sought funding for this scheme, or from any other scheme in connection with the activities proposed.

6.1f Please provide information on margins and contingencies that have been allowed for and the rationale behind them. (Limit 250 words)

The costings for the HWPG are based on tendered bids received from a procurement exercise undertaken in 2020 (with no contract awarding due to insufficient funds), with costs updated to 2021 prices to account for subsequent construction price inflation, including a substantial increase in the cost of steel. These figures therefore incorporate the tenderers own assessment of appropriate contingencies.

The costings for the proposed public realm improvements to the High Street are based on similar tendered schemes funded by Transport Scotland via Sustrans elsewhere in Scotland. A rurality allowance of 20% has been applied in addition to the standard 10% contingency to take account of the high mobilisation costs associated with executing such works in Wick. No margins are applicable for a public realm project which is promoted for the social good of the settlement.

The other elements of the town centre project are based on surveyor reports, with the Council's standard 10% contingency allowance again applied. Margins incorporated simply cover maintenance and security obligations.

6.1g Please set out below, what the main financial risks are and how they will be mitigated, including how cost overruns will be dealt with and shared between non-UKG funding partners. (you should cross refer to the Risk Register). (Limit 500 words)

A copy of the risk register is provided in Appendix F. We summarise some of the key financial risks and their associated mitigation activities below:

Risk	Control action
Contractor(s) experiences financial difficulties	The PQQ issued under the PCS restricted procedure will include a financial standing threshold.
COVID-19 response leads to financial cutbacks in the public sector and funding for scheme reallocated.	This risk will be managed through the funding application stage and in the completion of the FBC. It is assumed that any grant funding committed will remain so
The anticipated levels of business do not materialise.	Appointment of a Business Development Manager who will be responsible for preparing and implementing a Market Engagement & Business Development Plan
A proportion of the required funding is obtained but it is insufficient to meet the costs of the project	Following on from the funding application process, the FBC would consider the available level of funding relative to the cost of the project. If there is a mismatch, value engineering solutions would be explored, or alternative funding sources sought.
Above market average inflation	Competitive procurement process will deliver best value for money. Contingency in place to cover any unexpected cost increases.

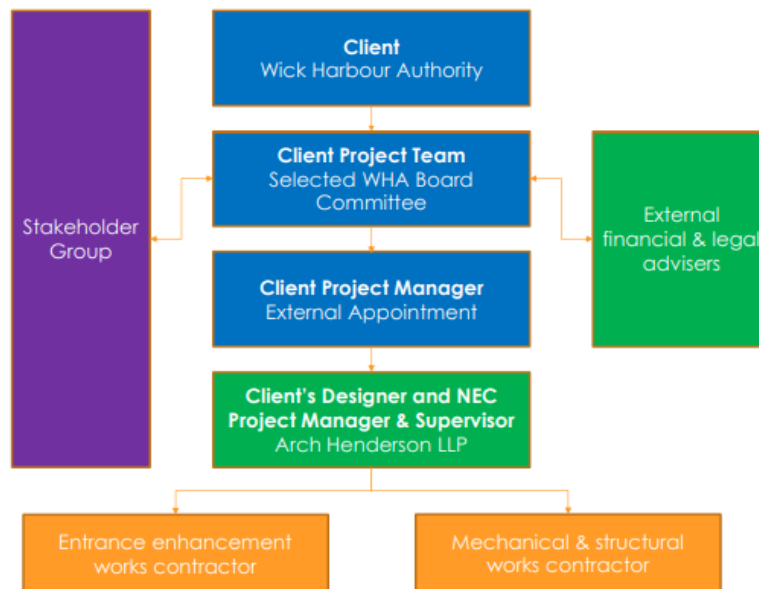
## 6.2 Commercial

See technical note Section 4 and Table 1 for further guidance.

6.2a Please summarise your commercial structure, risk allocation and procurement strategy which sets out the rationale for the strategy selected and other options considered and discounted. The procurement route should also be set out with an explanation as to why it is appropriate for a bid of the scale and nature submitted.

Please note - all procurements must be made in accordance with all relevant legal requirements. Applicants must describe their approach to ensuring full compliance in order to discharge their legal duties. (Limit 500 words)

The delivery of the HWPG will be managed to WHA, with Highland Council playing an oversight role, and will be delivered through the following governance structure:



The procurement strategy for this element of the project is summarised below:

	<b>Entrance Enhancement</b>	<b>Mechanical &amp; Structural</b>
Type of contract	Traditional	Design and construct
Single or multiple contracts	Single	Single
Tendering procedure	Public Contracts Scotland restricted procedure	Public Contracts Scotland restricted procedure
Lump sum or remeasurable	Remeasurable	Lump Sum
Fixed price or target price	Fixed Price	Fixed Price
Form of contract	Engineering & Construction Contract	Engineering & Construction Contract

The town centre regeneration project will be delivered in accordance with the Highland Council's contract standing orders, thus satisfying all legal obligations placed upon the Council.

The purpose of these Contract Standing Orders (CSO) is to: -

- a) Ensure that uniform contracting procedures of the highest standard are laid down for use throughout The Highland Council;
- b) Secure compliance with the law with respect of all contracts;
- c) Ensure the Council obtains best value in its procurement activity and all resultant contracts;
- d) Afford protection to the Council and its staff.

This shall ensure the Council consistently acts in a transparent and proportionate manner and in a way that is equal and without discrimination. In turn this shall lead to value for money and more sustainable outcomes.

Responsibility and accountability for all procurement within the Council lies with the Procurement Senior Responsible Officer (SRO), who is a member of the Council's Executive Leadership Team and who has authority to determine all matters to procurement subject to compliance with legal requirements. The Procurement SRO may delegate areas of procurement to other officers of the Council. All parts of the Council constitute a single contracting authority and no establishment or operation of the Council is separate from it.

The projects will be included in the Council's Capital Programme and scrutinised by the Economy and Infrastructure Committee.

### 6.3 Management

See technical note Section 4 and Table 1 for further guidance

Delivery Plan: Places are asked to submit a delivery plan which demonstrates:

- Clear milestones, key dependencies and interfaces, resource requirements, task durations and contingency.
- An understanding of the roles and responsibilities, skills, capability, or capacity needed.

- Arrangements for managing any delivery partners and the plan for benefits realisation.
- Engagement of developers/ occupiers (where needed)
- The strategy for managing stakeholders and considering their interests and influences.
- Confirmation of any powers or consents needed, and statutory approvals eg Planning permission and details of information of ownership or agreements of land/ assets needed to deliver the bid with evidence
- Please also list any powers / consents etc needed/ obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them.

6.3a Please summarise the delivery plan, with reference to the above (Limit 500 words)

Following agreement of Heads of Terms, Highland Council will develop full business cases for each agreed project. The Council will act as the accountable body and will develop the business cases.

Project leads will be responsible for the development of individual business cases, with an assurance role played by the Programme Manager. A Programme Manager will manage this through the Council's Green Book-compliant assurance processes. Concurrently, the Council will also progress project design, planning actions, and set in place delivery agreements for the projects which are not yet shovel ready.

The appended delivery plan (Annex E) provides an overview of the overall project from site purchase, demolition through construction to handover. This is an indication of the overall project timescales and will be subject to change as the project develops.

6.3b Has a delivery plan been appended to your bid?

Yes

No

6.3c Can you demonstrate ability to begin delivery on the ground in 2021-22?

Yes

No

6.3e Risk Management: Places are asked to set out a detailed risk assessment which sets out (word limit 500 words not including the risk register):

- the barriers and level of risk to the delivery of your bid
- appropriate and effective arrangements for managing and mitigating these risk
- a clear understanding on roles / responsibilities for risk

A copy of the risk register is provided in Appendix F, and details of the key financial risks were provided our response to question 6.1a.

We summarise some of the other key risks and their associated mitigation activities below:

<b>Risk</b>	<b>Control action</b>
Delivery Board Members lack experience to deliver a civil engineering project of this scale	External project manager to be appointed to oversee the work
Project completion delayed once on site	Inclusion of delay damages and / or an early delivery bonus within the contract.
Requirement to satisfy the different objectives of each funding party.	Formation of a Stakeholder Group to guide the project and ensure that the requirements of funders are being delivered.
The contractor(s) do not perform as anticipated.	Any quality or timescale risks will be flagged by the NEC Project Manager & Supervisor and addressed through liaison with the contractor(s). The works contract(s) will require sufficient levels of insurance to indemnify WHA against any losses in the event that contractors were negligent in their duties.
There are insufficient resources within the project team (Board and salaried staff) to meet the multiple needs of the project.	Appointment of Project Manager & Supervisor to oversee the day-to-day delivery of the project.
health and safety risk associated with undertaking work in a live harbour environment	The contractor will be required to develop a robust health and safety plan as part of the tendering process. This will be discussed and signed off by the Project Manager, will be regularly monitored throughout the build process, and will form a standing agenda item at progress meetings.
HWPG proves to be unreliable	A specimen design and performance specification of the HWPG has been developed. The designs produced by the contractor will be subject to the assurance processes required through the project governance framework.

Project manager does not perform as anticipated	The Project Manager will require sufficient levels of professional indemnity insurance to indemnify WHA against any losses in the event that they were negligent in their duties.
Stakeholder conflict or disagreement over the project.	Project Manager will develop and implement a Stakeholder Management Plan, which will detail which stakeholders will be engaged, how they will be engaged and when they will be engaged.
Design errors lead to delay or additional cost on the project.	For the civils entrance works, which are let on a traditional basis, design responsibility rests with WHA through their designer. WHA should ensure their designer has fully checked all details. The mechanical contract is let on a design & construct basis with design responsibility resting with the contractor. For this contract the impact of design errors will normally rest with the contractor.
Harbour closures during works periods	Closure will only be required for a short period to install the gate. Closure requirements will form part of the tender submissions and will be discussed and agreed with WHA.
WHA cannot demonstrate the benefits of the investment to funders.	A benefits realisation plan and monitoring & evaluation plan have been developed.
6.3f Has a risk register been appended to your bid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6.3g Please evidence your track record and past experience of delivering schemes of a similar scale and type (Limit 250 words)	
<p>Since its establishment in 2005, WHA and Highland Council have partnered to plan, procure, deliver and manage a series of incremental projects which have contributed towards putting the harbour in a secure financial position, including a new £600,000 marina (completed 2009); a £750,000 heavy lift pad (2015); a £250,000 Fairway and Outer Harbour dredging project (2018) and a £10-£15 million marine base facility for Beatrice Offshore Windfarm (the SSE Bowl development, 2019).</p>	

Due to the issues around tidal swell, further development of the harbour is largely dependent on the resolution of the wave climate issue in the Outer Harbour, and therefore on the success of this funding application.

The SSE Bowl was a speculative project to acquire and redevelop a dilapidated property for use as an O&M facility, which was sold to the developers of an offshore windfarm in the Moray Firth - see before (left) and after (right) photographs below. This receipt has in turn been invested in acquiring and preparing 30 High Street, Wick for redevelopment – again another speculative project: This project serves as a template for our current proposals.



6.3h Assurance: We will require Chief Financial Officer confirmation that adequate assurance systems are in place.

For larger transport projects (between £20m - £50m) please provide evidence of an integrated assurance and approval plan. This should include details around planned health checks or gateway reviews. (Limit 250 words)

We can confirm that adequate assurance systems are in place to manage this spend. Chief Financial Officer sign off is provided in section 7.2

The project will be overseen by a Governance Board, including representatives from The Highland Council and Wick Harbour Authority. It will meet monthly, and



commission periodic gateway reviews based on the schedule of milestone dates provided in response 6.4 overleaf.

## 6.4 Monitoring and Evaluation

*See technical note Section 4 and Table 1 for further guidance.*

6.4a Monitoring and Evaluation Plan: Please set out proportionate plans for M&E which should include (1000 word limit):

- Bid level M&E objectives and research questions
- Outline of bid level M&E approach

- Overview of key metrics for M&E (covering inputs, outputs, outcomes and impacts), informed by bid objectives and Theory of Change. Please complete Tabs E and F on the **appended excel spreadsheet**
- Resourcing and governance arrangements for bid level M&E

The Council will establish a LUF Programme Monitoring Group to oversee the delivery of the proposed interventions.

This group will be responsible for developing and implementing a Benefits Realisation Strategy to ensure the delivery of the target outcomes of each project. This will utilise the KPIs listed in Table F, and each KPI will be monitored quarterly.

From award through to March 2024, a quarterly evaluation of the development and construction process, including an assessment of forecast vs. outturn project costs, together with reasons for any variance, will be produced for monitoring and evaluation purposes. Following this, a staged monitoring and evaluation plan will take place at each of the following Gateway points:

- Gateway 1 (2022): An initial evaluation, approximately one year into the programme will provide an early indication that the project is operating as planned.
- Gateway 2 (2025): A detailed evaluation, approximately four years into the delivery of the entire programme, to determine whether all activities took place within the agreed timescales and budgets and to identify learnings for future interventions
- Gateway 3 (2030): This crucial stage will consider impacts in the context of data gathered over a longer period and provides a more detailed measurement of the extent to which the longer-term objectives and target impacts have been achieved.

This longer timeframe also allows consideration of the impacts of wider initiatives, including the local resident and business sentiment.

Measuring benefits realised against Gateway target outputs will demonstrate the robust governance, timely delivery, and good value for money which further grant funding is conditional on.

## PART 7 DECLARATIONS

### **7.1 Senior Responsible Owner Declaration**

As Senior Responsible Owner for the proposed Wick Harbour and Town Centre improvements, I hereby submit this request for approval to UKG on behalf of The Highland Council and confirm that I have the necessary authority to do so.

I confirm that The Highland Council will have all the necessary statutory powers and other relevant consents in place to ensure the planned timescales in the application can be realised.

Name: Malcolm Macleod Executive Chief Officer  
Infrastructure Environment and Economy

Signed:

### 7.2 Chief Finance Officer Declaration

As Chief Finance Officer for The Highland Council, I declare that the scheme cost estimates quoted in this bid are accurate to the best of my knowledge and that The Highland Council:

- has allocated sufficient budget to deliver this scheme on the basis of its proposed funding contribution
- accepts responsibility for meeting any costs over and above the UKG contribution requested, including potential cost overruns and the underwriting of any funding contributions expected from third parties
- accepts responsibility for meeting any ongoing revenue requirements in relation to the scheme
- accepts that no further increase in UKG funding will be considered beyond the maximum contribution requested and that no UKG funding will be provided after 2024-25
- confirm that the authority commits to ensure successful bids will deliver value for money or best value.
- confirms that the authority has the necessary governance / assurance arrangements in place and that all legal and other statutory obligations and consents will be adhered to.

Name: Liz Denovan, Executive Chief Officer, Resources and Finance

Signed:

### 7.3 Data Protection

Please note that the The Ministry of Housing, Communities and Local Government (MHCLG) is a data controller for all Levelling Up Fund related personal data collected with the relevant forms submitted to MHCLG, and the control and processing of Personal Data.

The Department, and its contractors where relevant, may process the Personal Data that it collects from you, and use the information provided as part of the application to the Department for funding from the Levelling Up Fund, as well as in accordance with its privacy policies. For the purposes of assessing your bid the Department may need to share your Personal Data with other Government

departments and departments in the Devolved Administrations and by submitting this form you are agreeing to your Personal Data being used in this way.

Any information you provide will be kept securely and destroyed within 7 years of the application process completing.

**You can find more information about how the Department deals with your data [here](#).**

# **LEVELLING UP AND COMMUNITY RENEWAL FUNDS**

## **NC500 BID**

### **LETTERS OF SUPPORT**

- Jamie Stone MP
- Ian Blackford MP
- Drew Hendry MP

## Levelling Up Fund Application Form

This form is for bidding entities, applying for funding from the Levelling Up Fund (LUF) across the UK. Prior to completing the application form, applicants should read the [LUF Technical Note](#).

The Levelling Up Fund Prospectus is available [here](#).

The level of detail you provide in the Application Form should be in proportion to the amount of funding that you are requesting. For example, bids for more than £10m should provide considerably more information than bids for less than £10m.

Specifically, for larger transport projects requesting between £20m and £50m, bidding entities may submit the Application Form or if available an Outline Business Case (OBC) or Full Business Case (FBC). Further detail on requirements for larger transport projects is provided in the [Technical Note](#).

One application form should be completed per bid.

### **North Coast 500 Accessibility Improvements: An Application from The Highland Council**



**Applicant & Bid Information**

**Local authority name / Applicant name(s)\*:** The Highland Council

*\*If the bid is a joint bid, please enter the names of all participating local authorities / organisations and specify the lead authority*

**Bid Manager Name and position:** Colin Howell, Head of Infrastructure

*Name and position of officer with day-to-day responsibility for delivering the proposed scheme.*

**Contact telephone number:**

**Email address:**

**Postal address:**

**Nominated Local Authority Single Point of Contact:** As above

**Senior Responsible Officer contact details:** Malcolm Macleod Executive Chief Officer Infrastructure Environment and Economy

**Chief Finance Officer contact details:** Liz Denovan, Executive Chief Officer, Resources and Finance

**Country:**

England

Scotland

Wales

Northern Ireland

Please provide the name of any consultancy companies involved in the preparation of the bid:

Stantec UK Ltd

For bids from **Northern Ireland applicants** please confirm type of organisation

Northern Ireland Executive

Third Sector

Public Sector Body

Private Sector

District Council

**Other (please state)**

Not applicable

## PART 1 GATEWAY CRITERIA

Failure to meet the criteria below will result in an application not being taken forward in this funding round

<p><b>1a Gateway Criteria for <u>all</u> bids</b></p> <p>Please tick the box to confirm that your bid includes plans for some LUF expenditure in 2021-22</p> <p><i>Please ensure that you evidenced this in the financial case / profile.</i></p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p><b>1b Gateway Criteria for private and third sector organisations in <b>Northern Ireland bids only</b></b></p> <p>(i) Please confirm that you have attached last two years of audited accounts.</p>	<p>Not applicable</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p>(ii) <b>Northern Ireland bids only</b> Please provide evidence of the delivery team having experience of delivering two capital projects of similar size and scale in the last five years. (Limit 250 words)</p>	
<p>Not applicable</p>	





## PART 2 EQUALITY AND DIVERSITY ANALYSIS

2a Please describe how equalities impacts of your proposal have been considered, the relevant affected groups based on protected characteristics, and any measures you propose to implement in response to these impacts. (500 words)

The Highland Council has made an ongoing commitment to address the three elements of the Public Sector Equality Duty to tackle discrimination, to advance equality and to foster good relations. The Highland Council's Programme recognises that Highland has an increasingly diverse population and we welcome people of all faiths, nationalities and backgrounds. It is a strategic goal to protect the vulnerable in our communities, promote fairness and welcome diversity. We aim to work with our partners and with our communities to reduce inequality and tackle poverty and discrimination and embed equality and human rights across all areas of our work.

The vast majority of the area covered by this application is considered remote rural or very remote rural by the Scottish Government's urban rural classification. This means areas with a population of less than 3,000 people, and with a drive time of over 30 minutes to a Settlement of 10,000. This reflects the distance from services and wider infrastructure.

With the exception to the area immediately surrounding Inverness, almost all of the communities located on the north coast 500 route are identified as being in the most 10% deprived communities in Scotland in relation to access to services – as measured by the Scottish Index of Multiple Deprivation. This, combined with a considerable influx in visitors to these communities, places considerable strain on local infrastructure. This proposal therefore aims to address some of the pressures being placed on already limited infrastructure within very small remote and rural communities across the north of Scotland.

A further aspect of the proposal is the potential to advance equality by improving physical access for disabled people, in particular wheelchair users and anyone with mobility difficulties, both visitors and the wider community alike, to core facilities such as public conveniences, visitor attractions and active travel routes.

We will ensure that affected groups with protected characteristics benefit from the activities outlined in this application by giving regard to equality and:

- **Factoring the needs of affected groups into the building & infrastructure design:** e.g. ensuring that any new buildings & infrastructure we develop can be easily accessed and navigated through by individuals with disabilities and mobility challenges; and by carers of children using prams & buggies; and accounting for the requirements of visually impaired individuals in the design of the signage and way-finding
- **Embedding our values into our procurement practices:** we will put procedures in place to ensure that we only contract with equal opportunities employers, who share our commitments towards Fair Work Practices and

equal treatment of individuals irrespective of their age, disability, sex, gender reassignment, sexual orientation, religion or belief, pregnancy and maternity, marriage and civil partnership, or race.

Should the bid be successful, an equality impact assessment would be undertaken to consider whether the nature of equality issues to be addressed in this proposal, for example in any public transport or active travel interventions or tourism site access improvements, to ensure we are promoting accessible and inclusive tourism.

When authorities submit a bid for funding to the UKG, as part of the Government's commitment to greater openness in the public sector under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004, they must also publish a version excluding any commercially sensitive information on their own website within five working days of the announcement of successful bids by UKG. UKG reserves the right to deem the bid as non-compliant if this is not adhered to.

Please specify the weblink where this bid will be published: [www.highland.gov.uk](http://www.highland.gov.uk)



## PART 3 BID SUMMARY

3a Please specify the type of bid you are submitting

Single Bid (one project)

Package Bid (up to 3 multiple complimentary projects)

3b Please provide an overview of the bid proposal. Where bids have multiple components (package bids) you should clearly explain how the component elements are aligned with each other and represent a coherent set of interventions (Limit 500 words).

The North Coast 500 is 516-mile circular tourism route through the North Highlands, covering Wester Ross, Sutherland, Caithness, Easter Ross, the Black Isle and Inverness-shire. It regularly receives international acclaim with Lonely Planet and National Geographic ranking it amongst the world's best tourism destinations.

Since its 2015 launch, it has been phenomenally successful, receiving over 11 billion internet visits, and contributing to a 53% rise in visits to attractions in the North Highlands.

However, this rapid growth has created its own challenges, including issues around road safety, traffic congestion, limited visitor dwell times, insufficient dispersion of visitor spend, and inappropriate waste disposal. Those issues frequently have negative impacts on local residents as the route includes some of the most peripheral and poorly connected areas of the UK. This necessitates long journeys, often on single-track roads, for local people to access employment or essential services which in turn makes operating a viable and sustainable business more difficult.

The Council has undertaken a Tourism Infrastructure Plan that was considered at the Tourism Committee on the 14 October 2020. This document is an audit of existing tourism infrastructure and identifies gaps in provision. This was used as a reference document to aid in identification of known challenges.

This programme of works includes 95 interventions to address these challenges by putting in place the infrastructure needed to support the continued growth of the North Coast 500 (NC500) tourism route, and to ensure that the increase in tourist usage does not impact negatively on local communities. An interactive map of the interventions is available by following [this link](#) - a pdf version of this information is available at Annex G. The proposed improvements, by addressing tourism related pressures, will also help improve the viability of local businesses and improve access to employment and services for local residents.

It includes investments in:

- Road and bridge improvements:** Design improvements and essential repairs to 40 miles of road at 10 key locations along the 500-mile route, where challenges around congestion and safety have been identified. This will improve journeys for both visitors and local people. (£39.3 million, or 71% of the total project budget will be invested in these repairs and improvements).

- **Low carbon interventions:** projects to support a modal shift towards low carbon forms of transport, including investments in electric vehicle (EV) charging stations, public transport interventions and active travel interventions. (£7.5 million, or 14% of the total project budget will be invested in this).
- **Tourism site accessibility improvements:** programme of 69 interventions to improve access to key tourism sites along the course of the route, designed to spread the economic benefits of the route more evenly across the North Highlands and to minimise the impacts of inappropriate visitor parking on the efficient flow of vehicles. This will include improved roadside parking, improvements to access routes to tourist attractions, and traffic flow monitoring equipment. (£8.2 million, or 15% of the total project budget will be invested in this).
- **Biodiversity and active travel:** audits will be undertaken as part of each of the 95 interventions to identify and implement opportunities for incorporating biodiversity and active travel improvements into the project's design.

3c Please set out the value of capital grant being requested from UK Government (UKG) (£). This should align with the financial case:	£50,000,000	
3d Please specify the proportion of funding requested for each of the Fund's three investment themes	Regeneration and town centre	%
	Cultural	%
	Transport	100%



PART 4 STRATEGIC FIT	
<b>4.1 Member of Parliament Endorsement (GB Only)</b>	
See technical note section 5 for Role of MP in bidding and Table 1 for further guidance.	
4.1a Have any MPs formally endorsed this bid? If so confirm name and constituency. Please ensure you have attached the MP's endorsement letter.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>All three of the MPs in the Highland Council area (Jamie Stone MP - Caithness, Sutherland &amp; Easter Ross; Ian Blackford MP - Ross, Skye and Lochaber; and Drew Hendry MP - Inverness, Nairn, Badenoch and Strathspey) have been informed of the scheme and are supportive of it.</p> <p>All three are also endorsing LUF projects in their own constituencies and are limited to one letter of endorsement under the rules of the fund, none can sign a letter of formal endorsement for this proposal.</p>	

## 4.2 Stakeholder Engagement and Support

See technical note Table 1 for further guidance.

4.2a Describe what engagement you have undertaken with local stakeholders and the community (communities, civic society, private sector and local businesses) to inform your bid and what support you have from them. (Limit 500 words)

The project is actively supported by North Coast 500 Limited, the route development organisation that represents the interests of business operators along the course of the route who provided information to support the development of this funding application.

During the bid preparation positive discussions have held with a range of public sector lead agencies including Highlands & Islands Enterprise, Police Scotland, Scottish Fire and Rescue Service, Ambulance Service, University of the Highlands & Islands and NHS Highland all of whom supported the aims and aspirations of the bid in terms of building service resilience, addressing depopulation, and supporting the economic and social regeneration of the area. Of particular note from those partners was a focus on the benefits that could accrue from improving accessibility and opportunity on mental health and wellbeing throughout the area – a matter of considerable concern and specific focus (See link to Committee report [here](#)).

The project was in response to current and increasing concerns expressed to Highland Council by local community groups about the capacity of the route to accommodate the significant growth in user number that it has recently experienced.

Of particular concern to many communities is the rise in the number and the increase in size of motorhomes visiting the area. With substantial hire fleets now available across the UK and around 15,000 new registrations per year in the UK and similar increases in the area's key overseas source markets, this market is anticipated to continue growing. However, the road network, much of which consists of single-track roads with passing places is not able to cater for this increase in large vehicles. Many of these vehicles struggle to use the passing places and incidents that block the road are not uncommon, disrupting travel for other visitors and local residents. Issues around motorhomes are amongst the most common tourism related complaints made to the Council by communities.

Over the last year the Council has engaged with partners and communities, including a direct consultation with groups such as Community Councils regarding tourism infrastructure priorities in late 2020. Many of the projects included within this bid reflect the feedback received through that consultation.

For many of the sub-projects public consultations have been held, both with community councils and also the wider public to understand issues and shape proposals.

Consultations have also been held with statutory undertakers and statutory consultees for the major road improvement interventions – together with land owner negotiations.

4.2b Are any aspects of your proposal controversial or not supported by the whole community? Please provide a brief summary, including any campaigns or particular groups in support or opposition? (Limit 250 words)

While the increase in tourism activity that the North Coast 500 has brought to the North Highlands has been broadly welcomed, community members have raised concerns around the ability of the route to accommodate the increase in visitor numbers, and the implications of this for road safety, congestion, and the environment. People have also expressed disappointment at the limited visitor spend received by rural communities along the route.

Many of these concerns have been documented in the local, Scottish and UK media (see q 5.1b response for examples). As an illustration of the extent of these concerns, Police Scotland report four separate incidents of tacks being deliberately strewn across a remote part of the NC500 route between Bettyhill and Strathy, allegedly by aggrieved locals protesting against the behavior of NC500 motorists.

While these issues have been a cause of concern for several years, they have been exacerbated in the past year by the Covid-19 pandemic, which has led to a significant increase in 'staycation' visits from other parts of the UK and created concerns about the public health risks associated with the number of new visitors coming to the area.

The particular issues around motorhomes have on occasions been contentious and have led to some quite polarised views with some supporting "bans" while others recognise the potential benefits those visitors can bring.

This intervention has been designed to address these concerns so all types of visitor can be welcomed.

4.2c Where the bidding local authority does not have the statutory responsibility for the delivery of projects, have you appended a letter from the responsible authority or body confirming their support?

- Yes  
 No  
 N/A

For Northern Ireland transport bids, have you appended a letter of support from the relevant district council

- Yes  
 No  
 N/A

### 4.3 The Case for Investment

See technical note Table 1 for further guidance.

4.3a Please provide evidence of the local challenges/barriers to growth and context that the bid is seeking to respond to. (Limit 500 words)

NC500 is a marketing initiative, launched in 2015, with the objective of attracting more visitors to the North Highlands. It has proven to be extremely successful, and has led to significant increases in daily traffic counts across the route, to an increase in cruise ship visits to, and coach tours of the North Highlands, and to substantial increases in visitor numbers at almost all of the area's visitor attractions<sup>1</sup>.

Indicator	% change (2015-2017)
<b>Daily average traffic counts at points of NC500 route</b>	
Clachnaharry	4%
Lovat/Beauly	7%
Gairloch to Poolewe	11%
Dundonnell to Braemore Junction	27%
Laxford Bridge to Rhiconich	25%
Dounreay to Thurso	1%
Bettyhill (to 2015-2016 only)	17.15%
John O'Groats (2015-2016 only)	17.88%
<b>Coach trips</b>	
Number of coach trips departing from Inverness City Centre	42%
Number of passengers on coach trips departing from Inverness City Centre	39%
<b>Cruise liner visits</b>	
Ships visiting Invergordon	68%
Passengers on ships visiting Invergordon	90%
<b>Trips to visitor attractions *</b>	
Total visitors to attractions on the NC500 route	53%
Inverness Museum and Art Gallery	8%
Fort George, Inverness	30%
Culloden Visitor Centre, Inverness	54%
Torridon Countryside Centre, Achnasheen	36%
Corrieshalloch Gorge, Ullapool	84%
Inverewe Gardens, Poolewe	240%
Timespan Heritage Centre, Helmsdale	5%
Glenmorran Gin Distillery, Tain	26%
Rogie Falls, Garve	30%
Caithness Horizon, Thurso	-6%
Dunrobin Castle, Golspie	42%

<sup>1</sup> Source: The North Coast 500 Tourist Route Strategic Report, Police Scotland, 2019. The table shows all visitor attractions with over 10,000 visits per year on the NC500 route. Attractions with fewer visits are not shown for brevity but show the same trend. The fall in visitor numbers at Caithness Horizons are due to this attraction recording a record year in 2015, as a consequence of receiving accredited museum status and launching an exhibit on the Dounreay Materials Testing Reactor.



While it is difficult to state with certainty how many of these additional visits are attributable to the NC500, it is clear that the route played a major part in this growth. This can partially be evidenced by the fact that visits to the NC500 website rose by 363% (from 242,859 to 880,920) between 2015 and 2018<sup>2</sup>.

This growth in visitor numbers has, however, created challenges for the route, and between 2015 and 2018 there were 245 recorded crimes along the route, of which:

- 75% related to dangerous driving
- over two-thirds (69%) recorded in Sutherland, Easter Ross and Wester Ross (where the majority of the proposed interventions included in this proposal will take place)
- over half (60%) involved non-local visitors
- five incidents involved cyclists

There were also 45 serious and 19 fatal road traffic collisions along the route over this four year period<sup>3</sup>.

Through a target of measures to twin track single track sections of road, widen and increase the number of parking areas, passing places on accident hot-spots along the route, this intervention will reduce accidents, offences and traffic congestion, removing the key risk factors which jeopardise the routes ability to continue on its current growth trajectory, whilst also sustaining the NC500 as a longer term economic asset and encouraging vehicles to take more regular stops, and to spend more time and money in rural areas of the North Highlands.



4.3b Explain why Government investment is needed (what is the market failure)? (Limit 250 words)

A case for government intervention to support this project can be made on the following three market failure grounds:

- **Public good:** Access to the North Coast 500 route, and the natural beauty spots along the course of the route, can be classed as a 'public good' in that it is non-excludable in supply (it is difficult to actively exclude anyone from enjoying it); and non-rivalrous in demand (one person's enjoyment of it does not generally affect

<sup>2</sup> Source: Evaluation of Economic and Tourism Impacts of the North Coast 500, Moffit Centre, 2019

<sup>33</sup> Source: Police Scotland, 2019

anyone else's ability to enjoy it). As such, its use and enjoyment cannot be efficiently optimised through market forces.

- **Business Competitiveness:** Improved accessibility will benefit local businesses by addressing existing business challenges - both by improving visitor's access to local tourism businesses and by improving access to markets elsewhere in the UK for non-tourism businesses.
- **Externality:** the project will create benefits for businesses not directly involved in the deal, including businesses operating along the course of the 500 mile route, and businesses in other tourism areas that are accessed via parts of the NC500 route, such as Skye (via the A890), and Lewis (via Ullapool Ferry Terminal). The lack of market incentives to factor these benefits into investment decision making will lead to underinvestment if the development of the infrastructure were left to market forces.
- **Imperfect information:** Increased parking, and improved wayfinding will help visitors to the area discover and enjoy areas of the North Highlands that they would otherwise have missed, leading to better visitor experienced and economic benefits to local businesses.



4.3c Please set out a clear explanation on what you are proposing to invest in and why the proposed interventions in the bid will address those challenges and barriers with evidence to support that explanation. As part of this, we would expect to understand the rationale for the location. (Limit 500 words)

These interventions are required to tackle the significant depopulation of the very rural communities along the north Coast 500 route and improve essential services to these communities and encouraging young people to remain in the area. The Covid pandemic has identified the opportunities for remote working, this coupled with the infrastructure provided will assist in the recruitment and retention of key workers in the area which is a significant

and ongoing issue. These interventions will provide a real sense of opportunity and hope to these rural and fragile communities.

The LUF investments will support a series of 95 interventions to improve the experience of NC500 users, these include:

- **Road widening projects (£30.2m):** road widening schemes at eight sites identified either as being economically important or accident blackspots (As significant constraints due to road width and alignment issues)
- These include interventions near Kishorn Port, and the settlements of Glen Ord, Balnacra and Bettyhill.
- **Bridge improvements (£2.1 million):** These bridges require investment following detailed inspections including water proofing for the Kylesku Bridge and concrete repairs to Borgie bridge
- **Local road improvements (£7.0 million):** At locations of known compromises, with signing bringing clarity to road users, especially on the approaches to settlements to encourage traffic calming including crash barriers, drainage improvements, cycling infrastructure.
- **Electric vehicle charging points (£3 million):** This project by nature is supporting communities in the transition towards low carbon transport by providing electric vehicle charge points. This will help connect communities in some of the most rural areas in Scotland by increasing much-needed provision on the rural public charging network. An improved charging network will help tackle some of the 'range anxiety' holding back the uptake of low carbon transport in areas where the distances between communities are sometimes many miles. In the context of improving technology, falling prices, and the Scottish Government's target to phase out the need for new petrol and diesel vehicles by 2030, a recent feasibility study conducted by EST modelled a high uptake scenario representing a 20% increase in EVs cars and LCVs registered in Highland EV by 2025
- **Active travel investments (£3.1 million):** including off road cycle routes and a park and ride e-bike hire scheme To aid and encourage sustainable modes of travel
- **Tourism site accessibility improvements (£8.2 million):** including car park and motorhome facilities at Ullapool, Wick, Thurso and Gairloch; traffic monitoring equipment; public conveniences; outdoor access improvements; and a project to resurface the Cape Wrath Road between the Kyle of Durness Ferry Terminal and the Cape Wrath Lighthouse, which will benefit from free labour time from the Ministry of Defence Cape Wrath Training Centre.
- **Public transport improvements (£1.4 million):** including new bus routes, shelters, tourism information points and online booking systems To enhance and encourage more sustainable travel.

Full details of the proposed investments are set out in Annex H.

These activities will help to address the challenges and barriers identified in response 4.3a by:

- Making roads safer for visitors and local residents
- Improving connectivity to key employment sites, including Kishorn Port and Dounreay nuclear site
- Increasing route capacity and visitor numbers

- Increasing visitor experience and dwell times, particularly at rural locations
- Widening routes, to improve the safety and enjoyability of walking and cycling on NC500 roads; and
- Reducing the adverse environmental impacts of irresponsible waste disposal.

4.3d For Transport Bids: Have you provided an Option Assessment Report (OAR)

Yes

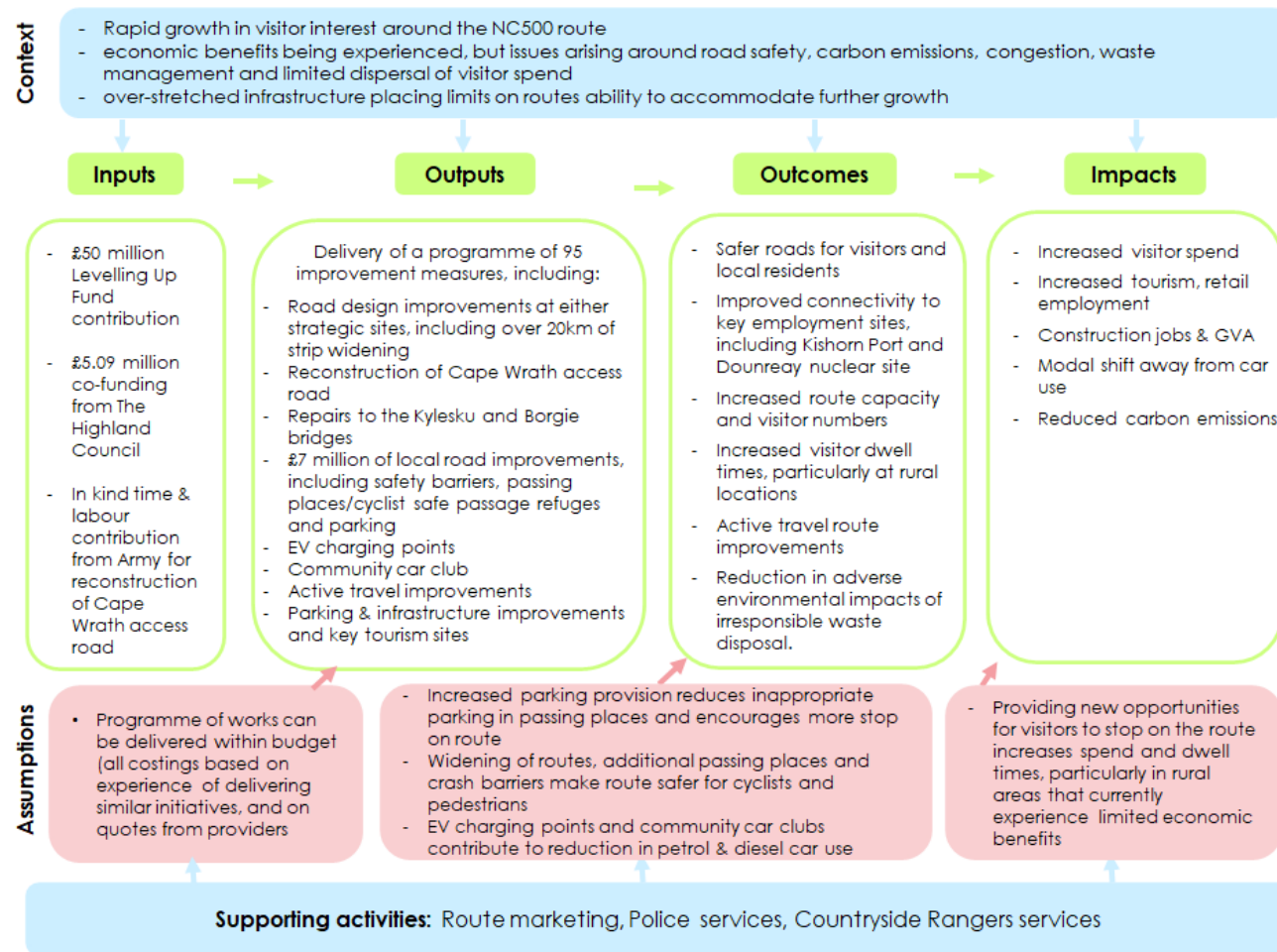
No

A full OAR was not considered necessary in this instance as the proposal does not involve the development of any new routes. A multi-criteria analysis was undertaken into route improvement options.

4.3e Please explain how you will deliver the outputs and confirm how results are likely to flow from the interventions. This should be demonstrated through a well-evidenced *Theory of Change*. Further guidance on producing a Theory of Change can be found within [HM Treasury's Magenta Book](#) (page 24, section 2.2.1) and [MHCLG's appraisal guidance](#). (Limit 500 words)



The process through which the proposed inputs and activities will deliver the anticipated outcomes and impacts is summarised in the Theory of Change diagram below.



#### 4.4 Alignment with the local and national context

See technical note Table 1 for further guidance.

4.4a Explain how your bid aligns to and supports relevant local strategies (such as Local Plans, local economic strategies or Local Transport Plans) and local objectives for investment, improving infrastructure and levelling up. (Limit 500 words)

The proposal aligns with Highland Council and its partners local strategy documents, including:

- **The Highland Council Corporate Plan (2017-2022):** the project contributes to two of the plan's eight strategic priorities, including "work collectively to drive economic growth and champion innovation as well as ensuring our infrastructure meets the needs of businesses as well as citizens and visitors" and "safeguard and enhance Highland's significant reputation and standing nationally and internationally". It also includes a commitment to "We will, with partners, grow the Highland tourism offer and invest in infrastructure."
- **Highland Council's Caithness and Sutherland Local Development Plan (2018):** Includes an objective to support the 'continuing diversification of our area's economy' following the decommissioning of the Dounreay nuclear site; highlights tourism as "an under-developed asset which could generate significant numbers of jobs" and cites the North Coast 500 as a initiative that is "helping to promote and co-ordinate tourism in the north of Highland area"
- **Highland Council's West Highlands & Islands Local Development Plan (2019):** the plan notes the Local Area Committees' commitment "to take advantage of the successful promotion of the North Coast 500 touring route"
- **HITRANS Active Travel Strategy (2018):** sets out the Regional Transport Partnerships commitment to 'maintain local, regional and national investment in active travel'. It highlights the benefits of a strategic approach to improving cycling infrastructure along key long distance routes, including undertaking audits to identify and prioritise localised improvement works, supporting the approach that we have adopted for these proposals.
- **Police Scotland's Local Police Plan (Highland, 2020-2023):** identified road safety and road crime as one of its six priorities for the region and commits the service to collaborate with partners to reduce casualties and crime on its roads. It highlights the link between increased tourism and a growth in inappropriate driving offences and includes a commitment to deliver 'Operation Cedar', a project to challenge & educate road users, and to detect and reduce inappropriate driving.
- **Highlands and Islands Enterprise 2019-2022 Strategy:** the strategy sets out the area's economic development agency's aspiration for "the Highlands and Islands to be a highly successful, inclusive and prosperous region in which increasing numbers of people choose to live, work, study and invest." It identifies tourism development as one of its eight priorities for the region and highlights the need for "the benefits of tourism reach every part of our region". It also highlights the need to "invest in enabling infrastructure to support business and community growth".

- **Scotland Outlook 2030 (National Tourism Strategy):** The project helps deliver on the ambitions of Scotland’s national tourism strategy - in particular two of the four priorities “Our thriving places” (ensuring people all over Scotland feel the benefits of tourism in part by ensuring places are better connected physically) and “Our memorable experiences” (which pursues barrier-free travel throughout the country, with the infrastructure available to help all visitors to enjoy what we have to offer).

4.4b Explain how the bid aligns to and supports the UK Government policy objectives, legal and statutory commitments, such as delivering Net Zero carbon emissions and improving air quality. Bids for transport projects in particular should clearly explain their carbon benefits. (Limit 250 words)

The project will support the UK Government’s ambitions of achieving net zero carbon emissions by:

- Encouraging increased walking and cycling activity along the NC500 route: by widening sections of the route and by introducing new paths and off-road cycle routes
- Supporting the transition to zero carbon emissions: by providing the necessary infrastructure to support the roll-out of electric cars
- Enhancing a popular ‘staycation’ destination for UK visitors: by creating the necessary infrastructure to support the future growth of the NC500 route
- Encouraging greater use of public transport: through investment in new bus routes and infrastructure
- Contributing to a reduction in inappropriate waste disposal: through the development of new parking sites with waste disposal facilities



4.4c Where applicable explain how the bid complements / or aligns to and supports other investments from different funding streams. (Limit 250 words)

The project will complement an ongoing investment programme – but the scale of the route and the issues encountered are not being addressed by the current levels of investment on the sustaining infrastructure. Recent and planned investments in key employment sites across the length of the route, including the recent investments in new drydock gates at Kishorn Port, and the proposed investment in a new High Water Protection Gate at Wick Harbour together with significant investment in the hospitality sector are ongoing. The Highland Council also has its local authority programme.

### **Bridge Replacement and Repair Programme**

The Highland Council has a programme of capital investment on bridges on the NC500 as these are in the current capital programme, they have not been included in the bid but include 8 schemes to a value of £8.165M

### **Tourism Infrastructure Projects**

In addition to the bid, the Tourism infrastructure Fund, administered by the Highland Council, has supported some 18 projects to a value of in excess of £2M and are programmed for completion in the life of the bid. Schemes include campervan facilities, ferry slipway improvements, viewpoint improvements, laybys and toilet improvements.

### **Coastal Communities Fund**

The Council receive funding from the Crown Estates – and have elected to allocate these funds to bids from communities to augment existing levels of funding, projects on the NC 500 have been approved to a value of c£1.5M, and will be delivered in the life of the fund, these schemes include public conveniences and campervan facilities.

4.4d Please explain how the bid aligns to and supports the Government's expectation that all local road projects will deliver or improve cycling and walking infrastructure and include bus priority measures (unless it can be shown that there is little or no need to do so). Cycling elements of proposals should follow the Government's cycling design guidance which sets out the standards required. (Limit 250 words)

The project includes over 40 km of road improvements and strip widening and an increase in the number of cycle refuges and passing places. These will effectively perform the safe function as new cycling lanes, helping to separate cyclists from passing traffic, allowing other vehicles to pass safely, increasing the safety and confidence of cyclists using the route. It also includes investment in new walking infrastructure.

All of the cycling infrastructure that will be developed as part of this intervention will be designed in a manner that is consistent with Transport Scotland's *Cycling by Design (2020 edition)*<sup>4</sup> guidance

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<sup>4</sup> <https://bit.ly/3g41sOZ>



## PART 5 VALUE FOR MONEY

### 5.1 Appropriateness of data sources and evidence

See technical note Annex B and Table 1 for further guidance.

All costs and benefits must be compliant or in line with [HMT's Green Book](#), [DfT Transport Analysis Guidance](#) and [MHCLG Appraisal Guidance](#).

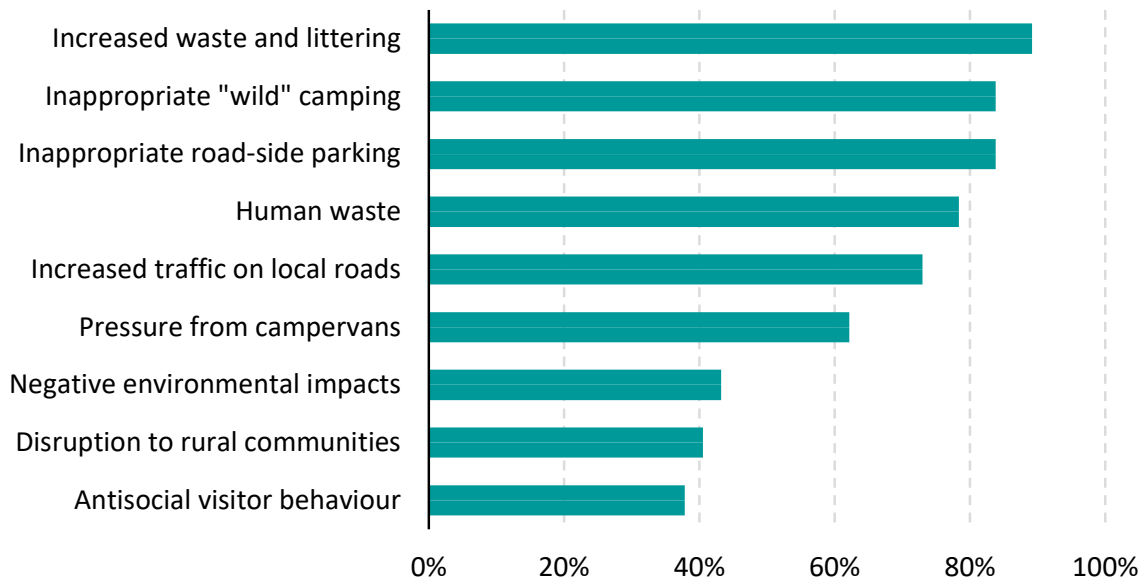
5.1a Please use up to date evidence to demonstrate the scale and significance of local problems and issues. (Limit 250 words)

Growing visitor numbers are creating challenges for both rural communities and wild places. Local people, who should be reaping the economic benefits of tourism, often feel increasingly overwhelmed.

This is evidenced by recent (2020) in-depth interviews with community representatives undertaken by the John Muir Trust<sup>5</sup>. The bar chart below shows the problems identified by the higher proportion of interviewees.

### Visitor pressures on local communities

(n = 37)



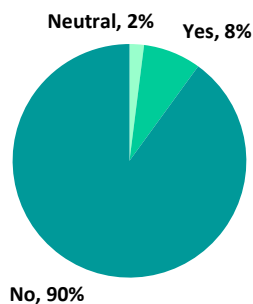
Many of these challenges relate directly to road infrastructure, including inappropriate parking (identified by 84% of interviewees), increased traffic (73%), and pressure from campervans (62%).

The charts below identify that few community representatives believe that there is sufficient public infrastructure funding or that visitor numbers are sustainable.

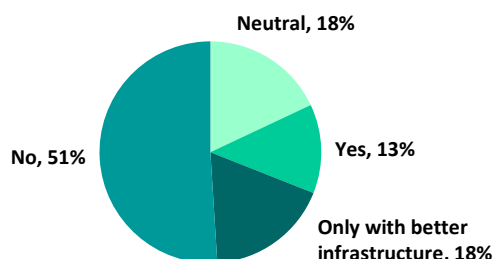
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[https://www.johnmuirtrust.org/assets/000/001/444/Visitor\\_Management\\_Report\\_09.03.2021\\_final\\_lr\\_original.pdf](https://www.johnmuirtrust.org/assets/000/001/444/Visitor_Management_Report_09.03.2021_final_lr_original.pdf)

Do you think there is enough public funding available for the essential infrastructure and facilities required by visitors?



Do you think current visitor numbers are sustainable?



Many of these issues relate to the insufficient capacity of Highland infrastructure to accommodate high visitor numbers. Along the NC500 the Council has identified:

- **Roads, parking, and transport issues:** narrow and single-track roads, insufficient parking, and roadside hazards all cause safety issues.
- **Amenity and waste issues:** a lack of provision leads to unauthorised motorhome waste disposal, frequent overflowing of large bins, and high levels of litter.
- **Environmental and Public Health issues:** informal camping, outdoor toileting, and fly tipping all impact the local environment and pose a risk to water supplies. Increasing volumes of traffic have adverse noise and pollution impacts.

Without investment to upgrade visitor and transport infrastructure, our communities will increasingly endure the most of these issues and challenges. The visitor experience too will suffer due to growing delays, insufficient amenities, and worsening local attributes.

5.1b Bids should demonstrate the quality assurance of data analysis and evidence for explaining the scale and significance of local problems and issues. Please demonstrate how any data, surveys and evidence is robust, up to date and unbiased. (Limit 500 words)

The interviews cited above were conducted by the John Muir Trust independently from the Highland Council. The Trust spoke to 37 community representatives from across the highlands and islands.

The specific issues identified along the NC500 were cited by the Council in its recent (March 2021) draft Visitor Management Plan.

Growth in visitor numbers can be evidenced by: <sup>6</sup>

<sup>6</sup> Moffat Centre (2019). Evaluation of Economic and Tourism Impact of the North Coast 500.

- **Visits to attractions:** over 2014-2018, there has been a 53% growth in the number of people visiting attractions along the NC500.
- **Accommodation market trends:** room occupancy along the NC500 has increased from 52% (2014) to 78% (2018), with similar growth evident in average room rates achieved, rising from £46 to £82.
- **Traffic counts:** available traffic counts for the route show clear growth in traffic along the NC500.
- **Camper van hire records:** data from the association of independent camper van suggests that, at most, three operators rented vehicles for the NC500 route. Today over 40 do.
- **Tourism business loans:** major banks and building societies contacted have indicated that since 2014 requests for business loans related to NC500 have increased by a factor of six.

Pressure on local roads and services has given rise to concerns of “over-tourism”, campaigns from residents to secure better infrastructure, and ultimately calls to stop promoting the NC500 altogether. These challenges are long-standing and well-documented. Reports in the press include:

- [North Coast 500: Tourists urged to head off the beaten track | The Scotsman \(2021\)](#)
- [Call to end promotion of North Coast 500 route | The Press and Journal \(2020\)](#)
- [Residents express discontent over North Coast 500 | The Herald \(2020\)](#)
- [Villages around the NC500 are 'being ruined by litter and vandalism' | The Herald \(2020\)](#)
- [North Coast 500 route 'accident waiting to happen' | STV News Archive \(2019\)](#)
- [Speeding, congestion, and protest: the dark side of Scotland's North Coast 500 route | The Guardian \(2019\)](#)
- ['It's like Disneyland': Locals bemoan tourist chaos on Scotland's North Coast 500 driving route | The Telegraph \(2019\)](#)
- [Locals find living round NC500 brings problems as well as profits | The Herald \(2018\)](#)
- [NC500 brings problems and benefits to north | The Press and Journal \(2018\)](#)
- [Tourist rush blamed for rising death toll on Scotland's Route 66 | The Sunday Post \(2017\)](#)

The NC500 is discussed as a case study of over-tourism in the recent academic work, *Overtourism: Causes, Implications and Solutions*<sup>7</sup>, alongside the Palace of Versailles and the Way of St James of Compostela in France.

5.1c Please demonstrate that data and evidence chosen is appropriate to the area of influence of the interventions. (Limit 250 words)

<sup>7</sup> Dr Hugues Seraphin (Senior Lecturer in Event & Tourism Management Studies at the University of Winchester) et al, 2018

Growing demand from visitor numbers is being experienced across the Highlands and Islands, but they are felt most acutely in tourism hotspots such as Skye and the NC500. The commercial success of the project has concentrated visitor numbers along the specific corridor mapped out by apps and guidebooks.

This suggests that many of the surveys, interviews, and consultation exercises focuses on the broader area are *underreporting* community and capacity issues. For example, all the representatives interviewed by the John Muir Trust who believe that current visitor numbers are sustainable are from Harris – where ferry capacity currently limits visitor numbers.

Every community along the NC500 will experience the impacts of visitor growth differently, owing to specific operational constraints. Yet it is clear that problems are arising along the entire length of the route. Therefore, the Highland Council is proposing a comprehensive and holistic capital investment programme across the NC500 as a whole.

## 5.2 Effectiveness of proposal in addressing problems

5.2a Please provide analysis and evidence to demonstrate how the proposal will address existing or anticipated future problems. Quantifiable impacts should usually be forecasted using a suitable model. (Limit 500 words)

The project is expected to deliver the following outcomes:

- Safer roads for visitors and local residents
- Improved access to local services
- Improved connectivity to key employment sites, including Kishorn Port and Dounreay nuclear site
- Improved access to employment – as a remote and sparsely populated area, long journeys to access employment are common and better connectivity increases the range of options available.
- Increased route capacity and visitor numbers
- Increased visitor dwell times, particularly at rural locations
- Active travel route improvements
- Reduction in adverse environmental impacts of irresponsible waste disposal.

These modelled outcomes are built around the assumption that:

- Increased parking provision reduces inappropriate parking in passing places and encourages more stop on route
- Widening of routes, additional passing places and crash barriers make route safer for cyclists and pedestrians
- EV charging points and community car clubs contribute to reduction in petrol & diesel car use

The project is also expected to deliver the following impacts:

- Increased visitor spend

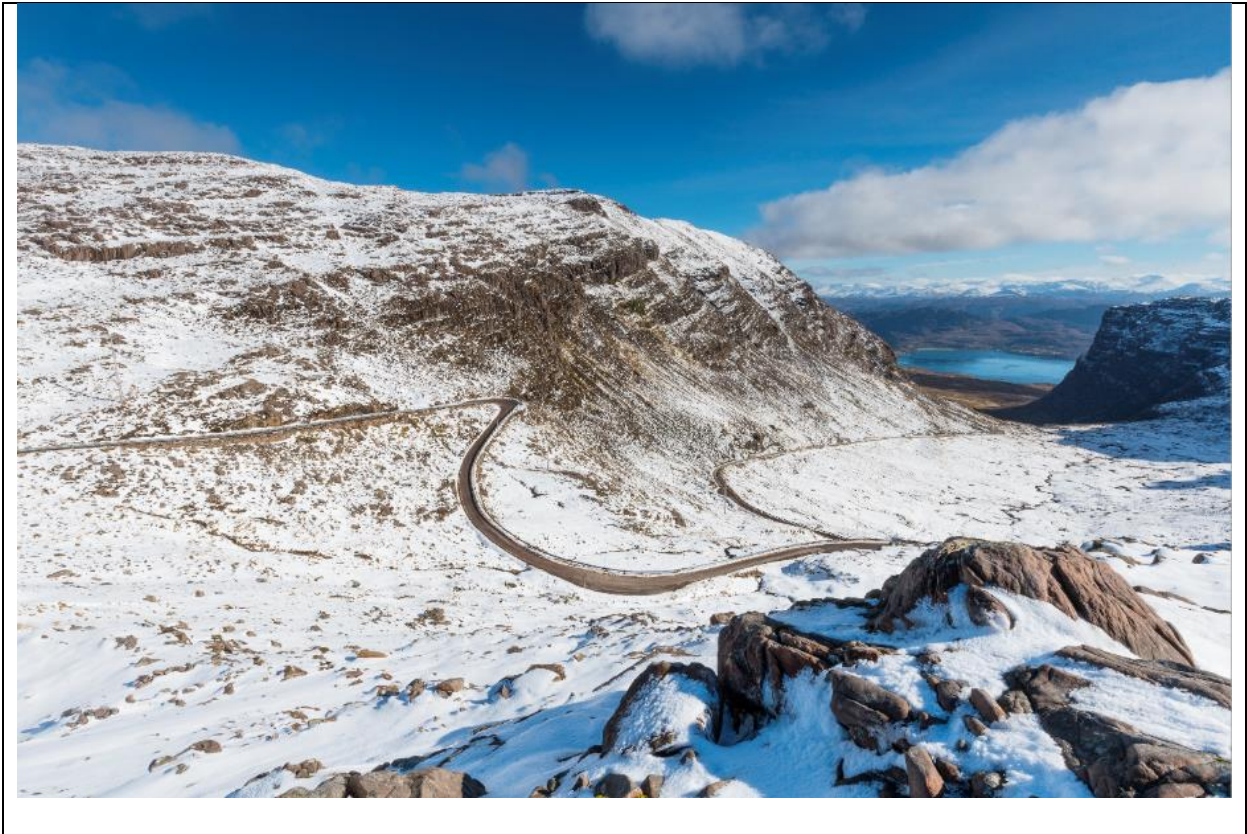
- Increased tourism, retail employment
- Construction jobs & GVA
- Modal shift away from car use
- Reduced carbon emissions

These modelled impacts are built around the assumption that providing new opportunities for visitors to stop on the route increases spend and dwell times, particularly in rural areas that currently experience limited economic benefits.

5.2b Please describe the robustness of the forecast assumptions, methodology and model outputs. Key factors to be covered include the quality of the analysis or model (in terms of its accuracy and functionality) (Limit 500 words)

The data presented in this report, and the assumptions included in our economic impact model, are taken from a number of robust assessments of the NC500 route, including:

- Glasgow Caledonian University (2020) - *The North Coast 500: Developing Tourism in the Northern Scottish Highlands*: which drew evidence from a survey of 203 accommodation providers and a robust literature review
- Glasgow Caledonian University (2019) – *Evaluation of Economic and Tourism Impact of the North Coast 500: which draws evidence from an extensive literature review and data analysis exercise*
- University of Glasgow (2017) - *North Coast 500 Economic Baseline Study*: which drew evidence from a survey of 819 visitors, a survey of 221 local businesses; a review of statistical data sources; and interviews with 30 stakeholders
- Seraphin et al (2020) – *Over-tourism; Causes, Implications and Solutions*: which included a detailed literature review of information pertaining to the NC500 route
- John Muir Trust (2021) – *Frontline Realities: Rural Communities and Visitor Pressures*: which drew evidence from interviews with 37 community representatives.



## 5.3 Economic costs of proposal

5.3a Please explain the economic costs of the bid. Costs should be consistent with the costs in the financial case, but adjusted for the economic case. This should include but not be limited to providing evidence of costs having been adjusted to an appropriate base year and that inflation has been included or taken into account. In addition, please provide detail that cost risks and uncertainty have been considered and adequately quantified. Optimism bias must also be included in the cost estimates in the economic case. (Limit 500 words)

### Overview

The public sector economic cost of the bid is £67.8 million. The represents the discounted, present value of the £55,090,000 financial cost inclusive of inflation and Optimism Bias at 30%. The table below summarises the economic costs of each category, and the funding sources attributed.

In economic terms, the grant requested from the LUF equals £61.90 million including a core capital cost of £50 million, spread over three years. We have discounted this at 3.5% and applied a 30% optimism bias adjustment<sup>8</sup>

Infrastructure Improvement	Total cost (inc. inflation), undiscounted	Total cost (inc. inflation), discounted
<b>Road and bridge improvements</b>		
Road Design Schemes	£30.21	£29.20
Bridges	£2.10	£2.03
Local Road Improvements	£7.01	£6.78
<b>Total</b>	<b>£39.33</b>	<b>£38.01</b>
<b>Low carbon interventions</b>		<b>£0.00</b>
EV Charging	£3.00	£2.90
Active Travel Interventions	£3.10	£3.00
Public Transport Initiatives	£1.43	£1.38
<b>Total</b>	<b>£7.53</b>	<b>£7.28</b>
<b>Tourism site accessibility improvements</b>		<b>0</b>
Car parks/ Motorhome Facilities	£2.29	£2.21
Monitoring Equipment	£0.36	£0.35
Public Conveniences	£2.25	£2.17
Outdoor access Improvements	£1.04	£1.00
Cape Wrath Road Improvement	£2.30	£2.22
<b>Total</b>	<b>£8.23</b>	<b>£7.95</b>
<b>Total Project Costs (exc. Optimism Bias)</b>	<b>£55.09</b>	<b>£53.24</b>
Optimism Bias (@ 30%)	£16.53	£15.97
<b>Total Project Costs (exc. Optimism Bias)</b>	<b>£71.61</b>	<b>£69.22</b>

<sup>8</sup> This figure is based on a blended average of the upper bound recommended adjustment settings for standard building works and standard civil engineering works (24% and 44% respectively), with a slight 4% reduction applied to account for the fact that the risk of over-runs is spread over 95 projects, that Highland Council has significant experience of delivering all of the projects proposed, and the fact that contingencies have already been applied to all project costs

## **Cost risks and uncertainty**

The total project costs are comprised of 95 different items with varying degrees of cost certainty. Should cost over-runs occur Highland Council will review the list of planned interventions to identify opportunities to extend or reduce the programme over the course of the investment period to provide overall budget certainty.

Key risks to the construction cost include programme delays, materials, and labour shortages due to macro-economic factors, and unknown abnormal costs. These risks and their associated mitigation actions are described by the risk register, appended to this submission.

The total project costs are comprised of different items with varying degrees of cost certainty. The Council will be responsible for any cost overruns incurred.





## 5.4 Analysis of monetised costs and benefits

5.4a Please describe how the economic benefits have been estimated. These must be categorised according to different impact. Depending on the nature of intervention, there could be land value uplift, air quality benefits, reduce journey times, support economic growth, support employment, or reduce carbon emissions. (Limit 750 words)

### Overview

The proposed capital programme comprises a series of 95 improvement measures (see annex H), ranging from major road re-designs, to EV charging infrastructure and targeted community interventions. Taken together, the proposals will deliver Value for Money by supporting the continued growth of the Highlands tourism sector – sustaining visitor numbers and mitigating points of community tension.

Yet a holistic, programme-wide Value for Money appraisal cannot fully capture the localised benefits arising from each individual scheme. Traditional transport outputs including decongestion, journey time savings, and modal shift require detailed, project-specific appraisals. Likewise, development metrics, such as land value uplift and labour market impacts, rely on an intimate understanding of local drivers of, and constraints to, growth.

The timescales and reporting limitations of this funding round precludes such an assessment of all 95 targeted investments. Instead, the Highland Council is proposing to establish a LUF project management office to oversee business case development during the design phase. This will ensure Value for Money on a project-by-project basis and retain a sharp focus on socio-economic outcomes during project development.

To demonstrate the potential of the capital programme to deliver Value for Money, the following programme-wide benefits have been monetised indicatively:

- **Tourism sector growth:** increased infrastructure capacity will enable the continued growth of the NC500 tourism market.
- **Recreation and amenity:** more visitors and extended dwell times will lead to improved experiences among some of the UK's most scenic places.
- **Construction benefits:** the Highland construction sector is highly regional. Additional turnover will induce additional supply chain and employment benefits.

### Tourism Sector Growth

A recent economic assessment of the tourism sector around the route supported 630 FTE jobs in 2018 and generates £80.9 million GVA every year<sup>9</sup>. As visitor numbers grow, so too does expenditure, jobs, and value-added.

<sup>9</sup> Evaluation of Economic and Tourism Impact of the North Coast 500, Glasgow Caledonian University, 2019

The improvements proposed in this bid are unlikely to be significant ‘pull’ factors for potential visitors. Yet they will ensure the sustainability of, and continued political support for, the market.

If the improvements sustain visitor numbers by 5% with spend just 2% higher than the *business-as-usual* scenario, economic modelling suggests this is likely to generate £139.2 million in present value GVA over 30 years. This points to the significance of the tourism sector as an economic driver in the Highlands.

### **Recreation and Amenity**

Recreation and amenity benefits have been monetised using the Outdoor Recreation Valuation Tool (ORVal). Developed by the University of Exeter with funding from DEFRA, ORVal reports values and visit estimates for existing and new greenspaces that are derived from a sophisticated model of recreational demand.<sup>10</sup>

Under the same visitor assumptions described above, this suggests that sustaining visitor numbers along the NC500 will secure £2.2 million in PV recreational and amenity benefits over 30 years.

### **Construction Benefits**

LUF investment will generate temporary benefits to the construction sector from increased turnover and business opportunities. These benefits have been monetised as value-added following an additionality assessment (medium / high: 45%).

To calculate net construction employment associated, the impact model applies the average turnover required to support an additional job in the construction sector in the local authority area (£106,684) to the profile of capital expenditure.<sup>11</sup> These benefits are then monetised by applying the average GVA per construction worker regionally (£46,751). Discounted to 2021, this is anticipated to yield £15.0 million in additional GVA.

5.4b Please complete Tab A and B on the **appended excel spreadsheet** to demonstrate your:

Tab A - Discounted total costs by funding source (£m)

Tab B – Discounted benefits by category (£m)

These are appended.

<sup>10</sup> Unfortunately, ORVal does not estimate the social value of such trips in Scotland. An average of Welsh upland rates has been used as a proxy for similar impacts in the highlands. This suggests that visitors to greenspaces along the NC500 will generate £3.10 in social value.

<sup>11</sup> Based on Standard Industrial Classification 2007 sector F. Scottish Government (2020). Scottish Annual Business Statistics; ONS (2020). Business Register and Employment Survey.

## 5.5 Value for money of proposal

5.5a Please provide a summary of the overall Value for Money of the proposal. This should include reporting of Benefit Cost Ratios. If a Benefit Cost Ratio (BCR) has been estimated there should be a clear explanation of how this is estimated ie a methodology note. Benefit Cost Ratios should be calculated in a way that is consistent with [HMT's Green Book](#). For non-transport bids it should be consistent with [MHCLG's appraisal guidance](#). For bids requesting funding for transport projects this should be consistent with [DfT Transport Analysis Guidance](#). (Limit 500 words) – see overleaf

An indicative BCR has been prepared based on the programme-wide benefits described above. This takes no account of the specific, localised benefits of each project. The table below presents this indicative BCR.

	Category	Value
<b>Present value benefits</b>		
	Tourism sector growth	139.2
	Recreational and amenity benefits	2.2
	Construction sector benefits	15.0
	Transport Economic Efficiency	Not quantified at this stage.
	Active travel impacts	
	Net zero benefits	
<b>A</b>	<b>Total benefits</b>	<b>156.4</b>
<b>Present value costs</b>		
	LUF request	47.5
	Optimism Bias	14.4
<b>B</b>	<b>Total LUF cost</b>	<b>61.9</b>
	Co-funding public sector cost	4.5
	Optimism Bias on co-funding	1.4
<b>C</b>	<b>Total public sector co-funding</b>	<b>5.9</b>
<b>D</b>	<b>Total public sector cost</b>	<b>67.8</b>
<b>E</b>	<b>Private sector cost</b>	-
<b>Value for money</b>		
<b>(A - E) / B</b>	<b>Indicative BCR on Levelling Up Fund grant</b>	<b>2.5</b>
<b>(A - E) / D</b>	<b>Indicative BCR on all public sector costs</b>	<b>2.3</b>

Considering only the limited set of benefits described above, the project is anticipated to deliver Value for Money with £2.50 of benefits generated for every £1.00 of LUF investment, and £2.30 for every £1.00 of total public sector spend.

This assessment is highly indicative and there remains a series of uncertainties around both costs and benefits. Yet given the range of impacts not quantified at this stage, and the degree of Optimism Bias on project costs, the investment programme has clear potential to deliver high Value for Money.

The Highland Council is committed to ensuring positive social returns on public sector investment and will require a business case demonstrating a positive BCR and / or strong non-monetised benefits for each project proposed in this. programme.



5.5b Please describe what other non-monetised impacts the bid will have, and provide a summary of how these have been assessed. (Limit 250 words)

The following benefits have not been monetised, but are expected to be significant:

- **Reduced congestion:** fewer delays will yield journey time saving benefits. The proposals will mitigate key pinch-points, address parking in lay-bys, and make the route easier for larger vehicles to navigate.
- **Reduced accidents:** Improvements to alignments and widths together with traffic calming measures will reduce the rate of collisions on the road. The popularity of the NC500 has led to increased numbers of drivers unfamiliar with UK roads and drivers liable to speed, resulting in increased casualties.<sup>12</sup>
- **Active travel and modal shift:** 13 active travel and public transport projects are proposed under the investment programme. These will reduce road congestion, improve air quality, and lead to health and well-being benefits
- **Net zero benefits:** new EV charging stations along the route will encourage more sustainable travel behaviour, leading to reduced emissions.

<sup>12</sup> Transport Scotland (2021). Scotland's Road Safety Framework to 2030. Available at: <https://consult.gov.scot/transport-scotland/road-safety-framework-to-2030/>

The investment programme will also yield a broad range of benefits that cannot be easily monetised through standard appraisal methods, including:

- **Community wellbeing:** the proposals are designed to address many of the communities' concerns over visitor numbers. Investment will improve quality of life and return control to local communities.
- **Environmental benefits:** improved waste disposal and public convenience facilities along the route will reduce pollution and risks to water supply.
- **Public sector savings:** the project will reduce driving offences, and encourage more responsible outdoor access, reducing the requirement for Police and Countryside Rangers to intervene in situations, leading to public sector savings.

5.5c Please provide a summary assessment of risks and uncertainties that could affect the overall Value for Money of the bid. (Limit 250 words)

The assessment presented above depends largely on indicative assumptions regarding visitor growth, dwell time, and spend. While case studies and evaluation of the route provide a benchmark, forecasting these variables is inherently uncertain. The table below shows the impact on the BCR of different model assumptions.

	Present Value Benefit	BCR
<b>Visitor Growth</b>		
Core modelling scenario: 5% growth	£156.4m	2.3
4% growth	£142.5m	2.1
3% growth	£128.6m	1.9
2% growth	£114.6m	1.7
1% growth	£100.6m	1.5
<b>Expenditure Growth</b>		
Core modelling scenario: 2.0% growth	£156.4m	2.3
1.5% growth	£137.8m	2.0
1.0% growth	£119.1m	1.8
0.5% growth	£100.3m	1.5

The table above shows that the BCR is currently sensitive to changes in visitor numbers and associated expenditure. Such impacts constitute most of the present value benefits as wider transport, active mode, and net-zero benefits have not been quantified at this stage. When these are included later in the business case development process, the BCR will be less sensitive to changes in the visitor profile.

5.5d For transport bids, we would expect the [Appraisal Summary Table](#), to be completed to enable a full range of transport impacts to be considered. Other material supporting the assessment of the scheme described in this section should be appended to your bid.

A full WebTag/STAG appraisal has not been undertaken for this intervention as it does not involve the development of any new road infrastructure.

## PART 6 DELIVERABILITY

### 6.1 Financial

See technical note Table 1 for further guidance.

6.1a Please summarise below your financial ask of the LUF, and what if any local and third party contributions have been secured (please note that a minimum local (public or private sector) contribution of 10% of the bid costs is encouraged). Please also note that a contribution will be expected from private sector stakeholders, such as developers, if they stand to benefit from a specific bid (Limit 250 words)

The total project ask is £55.09 million. The Highland Council will provide £5.09 million of this funding, while £50 million is sought from the Levelling Up Fund.

Infrastructure Improvement	Total cost (inc. inflation), undiscounted
<b>Road and bridge improvements</b>	
Road Design Schemes	£30.21
Bridges	£2.10
Local Road Improvements	£7.01
<b>Total</b>	<b>£39.33</b>
<b>Low carbon interventions</b>	
EV Charging	£3.00
Active Travel Interventions	£3.10
Public Transport Initiatives	£1.43
<b>Total</b>	<b>£7.53</b>
<b>Tourism site accessibility improvements</b>	
Car parks/ Motorhome Facilities	£2.29
Monitoring Equipment	£0.36
Public Conveniences	£2.25
Outdoor access Improvements	£1.04
Cape Wrath Road Improvement	£2.30
<b>Total</b>	<b>£8.23</b>
<b>Total Project Costs</b>	<b>£55.09</b>

6.1b Please also complete Tabs C and D in the **appended excel spreadsheet**, setting out details of the costs and spend profile at the project and bid level in the format requested within the excel sheet. The funding detail should be as accurate as possible as it will form the basis for funding agreements. Please note that we would expect all funding provided from the Fund to be spent by 31 March 2024, and, exceptionally, into 2024-25 for larger schemes.

These are appended

<p>6.1c Please confirm if the bid will be part funded through other third-party funding (public or private sector). If so, please include evidence (i.e. letters, contractual commitments) to show how any third-party contributions are being secured, the level of commitment and when they will become available. The UKG may accept the provision of land from third parties as part of the local contribution towards scheme costs. Where relevant, bidders should provide evidence in the form of an attached letter from an <u>independent</u> valuer to verify the true market value of the land.</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p>6.1d Please explain what if any funding gaps there are, or what further work needs to be done to secure third party funding contributions. (Limit 250 words)</p>	
<p>This is the first time The Highland Council has sought funding for this scheme, or from any other scheme in connection with the activities proposed. Elected members fully endorse the bid – and it is recognised that £5M of funding will be provided from Highland Council’s capital programme – should the grant bid be successful.</p>	
<p>6.1e Please list any other funding applications you have made for this scheme or variants thereof and the outcome of these applications, including any reasons for rejection. (Limit 250 words)</p>	
<p>The Council has not sought funding for this scheme, or for any variants thereof through any other funding scheme.</p>	
<p>6.1f Please provide information on margins and contingencies that have been allowed for and the rationale behind them. (Limit 250 words)</p>	
<p>Each of the 95 projects has been costed individually by a professional with expertise in developing that form of project. Each project contains a contingency allowance appropriate to the project specific risks identified.</p>	

6.1g Please set out below, what the main financial risks are and how they will be mitigated, including how cost overruns will be dealt with and shared between non-UKG funding partners. (you should cross refer to the Risk Register). (Limit 500 words)

A copy of the risk register is provided in Annex G. We summarise some of the key financial risks and their associated mitigation activities below:

Risk	Control action
Detailed design significantly increases budget costs	Instigate value engineering and or increase budget. Consider extension or reduction in schemes to ensure budget certainty
Project may conflict with wider infrastructure investment or development proposals	Project programming in collaboration with other infrastructure/development proposals
Issues identified around ground conditions, requiring additional work to be undertaken	Carry out Ground Investigation and consider results.
Significant project overruns - Costs for project delivery significantly exceed business case forecasts	Procurement Strategy aligned to limit exposure, possibly by use of fixed price contract
Utilities infrastructure identified at targeted investment sites which require relocation	Obtain approval of proposals from relevant utilities provider





## 6.2 Commercial

See technical note Section 4 and Table 1 for further guidance.

6.2a Please summarise your commercial structure, risk allocation and procurement strategy which sets out the rationale for the strategy selected and other options considered and discounted. The procurement route should also be set out with an explanation as to why it is appropriate for a bid of the scale and nature submitted.

Please note - all procurements must be made in accordance with all relevant legal requirements. Applicants must describe their approach to ensuring full compliance in order to discharge their legal duties. (Limit 500 words)

This project will be delivered in accordance with the Highland Council's Project Management Governance Policy for Construction Projects.

This policy provides Project Management governance arrangements specific to such construction projects. This will ensure management and consistency within all projects being procured and delivered as part of this programme of works. This policy will ensure value for money, by having effective and efficient project management arrangements.

Each sub project will be clearly defined, with project objectives, outcomes and benefits to be achieved.

Financial management will be in accordance with the Council's Financial Regulations and Contract Standing Orders.

Risks and issues will be managed by the delivery team with oversight at the Project Board.

A Project Board will be established, and regular board meetings shall be held throughout the progress of the project to provide oversight and scrutiny. Model template dashboard reporting will be used for each sub project, and any major risks or issues escalated to the board for decision and resolution.

The Project Board will report to the Capital Programme Board and the project will be reported, reviewed and considered at the Economy and Infrastructure Committee, and as such in the public domain.

All procurement shall be in accordance with the Council's Contract Standing Orders to ensure compliance with all procurement legislation.

In terms of procurement strategies these will be considered and developed for each sub project. The Council's Contract Standing orders align with both financial and procurement legislation and clear procurement routes are identified.

As an example, for sub projects in excess of £2M, a restricted tender process will be adopted. Adverts for interested contractors will be posted on Procurement Contract Scotland (PCS), and each applicant reviewed and scored based on their submitted European Single Procurement Document (ESPD), and a select list for

tenders established. Such contracts will be evaluated via the most economically advantageous tender (MEAT) and will be awarded based on both cost and quality. All such projects will include community benefit clauses to maximise the local economy during such construction phases.

For each project, project risk will be assessed, and the procurement route selected. The default for construction projects is the New Engineering Construction Contract (NEC4) – Option A – lump sum with activity schedule, but the exact procurement option will be determined by the nature and risks associated with the contract.

The Highland Council have model contract documents that are reviewed and assessed following each project debrief and are live documents.

The Highland Council use specialist software (CEMAR) to manage and facilitate contract administration.

The Council also operates a Quality Management System externally certified by BSI – and all sub projects will follow this QA process and procedures, from project brief through to validation and verification.

The Council has Engineers and Project Managers experienced and well versed in the delivery of the range of projects, from low value risk free projects to tens of millions with varied risk profiles, all managed as above.



## 6.3 Management

See technical note Section 4 and Table 1 for further guidance

Delivery Plan: Places are asked to submit a delivery plan which demonstrates:

- Clear milestones, key dependencies and interfaces, resource requirements, task durations and contingency.
- An understanding of the roles and responsibilities, skills, capability, or capacity needed.
- Arrangements for managing any delivery partners and the plan for benefits realisation.
- Engagement of developers/ occupiers (where needed)
- The strategy for managing stakeholders and considering their interests and influences.
- Confirmation of any powers or consents needed, and statutory approvals eg Planning permission and details of information of ownership or agreements of land/ assets needed to deliver the bid with evidence
- Please also list any powers / consents etc needed/ obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them.



6.3a Please summarise the delivery plan, with reference to the above (Limit 500 words)

Following agreement of Heads of Terms, Highland Council will develop full business cases for each agreed project. The Council will act as the accountable body and will develop the business cases.

Project leads will be responsible for the development of individual business cases, with an assurance role played by the Programme Manager. A Programme Manager will manage this through the Council's Green Book-compliant assurance processes. Concurrently, the Council will also progress project design, planning actions, and set in place delivery agreements for the projects which are not yet shovel ready.

The appended delivery plan (Annex F) provides an overview of the overall project from feasibility through construction to handover. This is an indication of the overall project timescales and will be subject to review and change as the project develops.

Many of the projects are contained within Highland Council ownership or form part of the adopted road for which we have powers under the Roads Scotland Act. The majority of projects fall under permitted development under planning legislation – but planning will be required for some projects, but these are identified within Annex F. Work has already progressed on the major schemes requiring planning permission and this is not considered a significant project risk.

Statutory consents and licenses will also be required for some projects – but these will be identified within the quality plan developed for each project in accordance with the Quality Management System.

Land is also required for some of the major interventions as identified in the annex F – but negotiations have been progressing towards a resolution.

A detailed delivery and communications plan will be developed for each project, which will identify the consents and approvals required and any such consultations and notifications. These will be programmed in to ensure delivery to the programme – and regularly monitored with any significant risks escalated to the Project Board through template reporting.

Each project will be delivered in accordance with the project governance identified in question 6.2.a

Project management software and programming will be used to both plan and monitor delivery.

Where additional resources are required to augment the Council's professional team – this will be obtained using the NEC professional services contract via Scotland approved national frameworks – Scotland Excel, to both ensure procurement legislation compliance but also aid in programme delivery.

Experienced Highland Council Engineers and Project Managers will be used to manage this process, they have experience of the entire range of interventions proposed as part of this project and have been integral to the project identification, bid process, project delivery and budget identification included in this bid document.

6.3b Has a delivery plan been appended to your bid?  Yes  
 No

6.3c Can you demonstrate ability to begin delivery on the ground in 2021-22?  Yes  
 No

6.3e Risk Management: Places are asked to set out a detailed risk assessment which sets out (word limit 500 words not including the risk register):

- the barriers and level of risk to the delivery of your bid
- appropriate and effective arrangements for managing and mitigating these risk
- a clear understanding on roles / responsibilities for risk



A copy of the risk register is provided in Annex G, and details of the key financial risks were provided our response to question 6.1a.

We summarise some of the other key risks and their associated mitigation activities below:

<b>Risk</b>	<b>Control action</b>
Unexpected sub-soil ground conditions, during contract.	Ground investigation work complete.
Delayed agreement with utilities re diversions and technical approvals.	Regular engagement with utilities and key stakeholders throughout project development
Stakeholder needs and expectations not appropriately managed	Regular engagement with key stakeholders throughout project development to ensure good working and planning relationships
High tender returns	Eliminate unquantifiable contractor's risk prior to tender
Difficulty/delay obtaining consents for utility design and connections	Early engagement with Utility organisations
Securing planning and development consents - risk that these relevant consents cannot be obtained	Regular engagement with relevant departments. Ensure regular reviews of consent position
Availability of quality external support - Failure to appoint appropriate external contractors and support to take the project forward	Use appropriate portals and frameworks to maximise exposure PIN notice to provide suppliers with advanced notification of upcoming tender opportunities
Ecology constraints impact on programme	Ecology team is appointed, and initial survey work is complete. Management and mitigation works will be implemented if required and additional site inspections are planned for the coming months.
Other infrastructure projects outwith the control of ERC impact on this project	Reactive mitigation dependent on circumstances

On approval of the budget a quality plan will be developed for each work package. The delivery team will undertake the design process that accords with the QA system which requires regular design reviews.

At each design review the risks and issues will be considered and mitigation measures established and delivered. All major risks and issues will be escalated to the Project Board.

Inevitably there will be some residual risks that cannot be fully mitigated through the design process – and an evaluation of the risk together with the identification of the party best able to manage the residual risk will be undertaken. The construction contract will be drafted to clearly identify the residual risks (risk register) and the contract will also clearly identify which risks are ‘owned’ by the contractor. Indeed, the risk profile will govern the procurement route.

Risk identification and management is a key feature of NEC construction contracts, with the process being managed through the early warning, and risk reduction process.

6.3f Has a risk register been appended to your bid?	<input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No
6.3g Please evidence your track record and past experience of delivering schemes of a similar scale and type (Limit 250 words)	
<p>The Highland Council's Project Design Unit (PDU), part of the Economy and Infrastructure Service, has some 80 engineering staff engaged in the delivery of the capital infrastructure projects for the Highland Council.</p> <p>Staff are professionally qualified with Chartered, Incorporated and Engineering Technician members of the Institution of Civil Engineers. The Highland Council (PDU) also operate an approved training scheme for ICE professional development.</p> <p>In recognition of the importance of contract drafting and contract management many senior staff and site staff also are approved Project Managers through the NEC accreditation process.</p> <p>The PDU operates a Quality Management System externally audited and certified by BSI. This Quality Assurance system has been developed to cover all aspects of project design from feasibility to completed projects with verification and validation processes.</p> <p>The PDU deliver a wide range of civil engineering infrastructure projects, that cover roads, bridges, marine works, flood protection schemes, waste management schemes through to burial grounds. Projects range in scale and scope, from minor projects of tens of thousands through to individual projects in excess of £60M. The PDU augments its internal design resources using additional Highland Council staff and external consultants procured and managed via national framework contracts.</p> <p>Analysis is carried out on performance – with the out-turn costs of projects comparison with tender assessment – a good gauge against performance – the up to date analysis reported as a local performance indicator of the service plan shows a figure of 91.04%, showing a delivery consistently under the assessment value.</p>	
<p>6.3h Assurance: We will require Chief Financial Officer confirmation that adequate assurance systems are in place.</p> <p>For larger transport projects (between £20m - £50m) please provide evidence of an integrated assurance and approval plan. This should include details around planned health checks or gateway reviews. (Limit 250 words)</p>	
<p>We can confirm that adequate assurance systems are in place to manage this spend. Chief Financial Officer sign off is provided in section 7.2</p> <p>The detail of project management and governance is shown in Q.6.2.a. The Project Management Policy (Construction) has been developed and approved by the Highland Council to provide the project management oversight and governance.</p>	

A Project Board will be established – this will report on an exception basis to the Capital Programme Board. All reporting on updates of the delivery including financial information and risks and issues will be reported to the Economy and Infrastructure Committee. Reports will be available for public scrutiny and the committee meetings are web cast for live viewing – or as an archive.

The Project Management Policy (Construction) identifies a range of projects referenced as minor through to OJEU (above EU threshold), each sub project will be categorised, and this will dictate the control measures to be adopted.

Project Board meetings will be held quarterly and will include:-

- Compliance with requirements/standards
- Interfaces with other organisations/land
- Approvals and consents
- Progress and programme
- Budget and change approvals
- Risks and issues
- Health and safety

Gateway reviews will be identified for each project, but for more major projects would include:-

- Brief preparation and project initiation
- Outline proposals and budget costings
- Developed design/Pre-tender
- Award
- Construction/Handover

Gateway reviews follow a prescribed template and will need to be signed off by the Project Board at each gateway hold point.

## 6.4 Monitoring and Evaluation

*See technical note Section 4 and Table 1 for further guidance.*

6.4a Monitoring and Evaluation Plan: Please set out proportionate plans for M&E which should include (1000 word limit):

- Bid level M&E objectives and research questions
- Outline of bid level M&E approach
- Overview of key metrics for M&E (covering inputs, outputs, outcomes and impacts), informed by bid objectives and Theory of Change. Please complete Tabs E and F on the **appended excel spreadsheet**
- Resourcing and governance arrangements for bid level M&E



The Council will establish a LUF Programme Monitoring Project Board to oversee the delivery of the proposed interventions.

This group will be responsible for developing and implementing a Benefits Realisation Strategy to ensure the delivery of the target outcomes of each project. This will utilise the KPIs listed in Table F, and each KPI will be monitored quarterly.

From award through to March 2025 a quarterly evaluation of the development and construction process, including an assessment of forecast vs. outturn project costs, together with reasons for any variance, will be produced for monitoring and evaluation purposes. Following this, a staged monitoring and evaluation plan will take place at each of the following critical points:

- Gateway 1 (2022): An initial evaluation, approximately one year into the programme will provide an early indication that the project is operating as planned.
- Gateway 2 (2025): A detailed evaluation, approximately four years into the delivery of the entire programme, to determine whether all activities took place within the agreed timescales and budgets and to identify learnings for future interventions
- Gateway 3 (2030): This crucial stage will consider impacts in the context of data gathered over a longer period and provides a more detailed measurement of the extent to which the longer-term objectives and target impacts have been achieved.

This longer timeframe also allows consideration of the impacts of wider initiatives, including the local resident and business sentiment.

Measuring benefits realised against critical target outputs will demonstrate the robust governance, timely delivery, and good value for money which further grant funding is conditional on.

## PART 7 DECLARATIONS

### 7.1 Senior Responsible Owner Declaration

As Senior Responsible Owner for the proposed North Coast 500 improvements, I hereby submit this request for approval to UKG on behalf of The Highland Council and confirm that I have the necessary authority to do so.

I confirm that The Highland Council will have all the necessary statutory powers and other relevant consents in place to ensure the planned timescales in the application can be realised.

Name : Malcolm Macleod Executive Chief  
Executive Officer Infrastructure Environment and  
Economy

Signed:

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### 7.2 Chief Finance Officer Declaration

As Chief Finance Officer for The Highland Council, I declare that the scheme cost estimates quoted in this bid are accurate to the best of my knowledge and that The Highland Council:

- has allocated sufficient budget to deliver this scheme on the basis of its proposed funding contribution
- accepts responsibility for meeting any costs over and above the UKG contribution requested, including potential cost overruns and the underwriting of any funding contributions expected from third parties
- accepts responsibility for meeting any ongoing revenue requirements in relation to the scheme
- accepts that no further increase in UKG funding will be considered beyond the maximum contribution requested and that no UKG funding will be provided after 2024-25
- confirm that the authority commits to ensure successful bids will deliver value for money or best value.
- confirms that the authority has the necessary governance / assurance arrangements in place and that all legal and other statutory obligations and consents will be adhered to.

Name: Liz Denovan, Executive Chief Officer, Resources and Finance

Signed:

### 7.3 Data Protection

Please note that the The Ministry of Housing, Communities and Local Government (MHCLG) is a data controller for all Levelling Up Fund related personal data collected with the relevant forms submitted to MHCLG, and the control and processing of Personal Data.

The Department, and its contractors where relevant, may process the Personal Data that it collects from you, and use the information provided as part of the application to the Department for funding from the Levelling Up Fund, as well as in accordance with its privacy policies. For the purposes of assessing your bid the Department may need to share your Personal Data with other Government departments and departments in the Devolved Administrations and by submitting this form you are agreeing to your Personal Data being used in this way.

Any information you provide will be kept securely and destroyed within 7 years of the application process completing.

**You can find more information about how the Department deals with your data [here](#).**



**Annex A - Project One Summary** (only required for a package bid)

Project 1
A1. Project Name
North Coast 500 Accessibility Improvements
A2. Strategic Linkage to bid: Please enter a brief explanation of how this project links strategically to the overall bid. (in no more than 100 words)
The project will develop the infrastructure needed to support the continued growth of the NC500 tourism route, and will ensure that the increase in tourist usage does not impact on access to the key employment sites that lie on the route.
A3. Geographical area: Please provide a short description of the area covered by the bid ( <u>in no more than 100 words</u> )
The NC500 is a 500-mile circular route around the North Highland areas of Caithness, Sutherland, Ross & Cromarty and Inverness-shire. It connects several settlements, including Inverness, Muir of Ord, Ullapool, Durness, Thurso, Wick, Golspie, Dornoch and Dingwall.  The proposal includes investments in the following key sites, identified on the map below:  <ol style="list-style-type: none"><li>1. A832 between Clash Wood and Glen Ord</li><li>2. A890 between Balnacra and Lair Rail Bridge</li><li>3. A890 between Culag Bridge and Balnacra</li><li>4. A896 between Kishorn and Lochcarron</li><li>5. Kylesku Bridge</li><li>6. A836 between Braetongue and Rhitongue</li><li>7. A836 between Naver Bridge and B871 Junction</li><li>8. Borgie Bridge</li></ol>



A4. OS Grid Reference	NH 66652 45072 (route start point)
A5. Postcode	IV2 3EG (route start point)
A6. For Counties, Greater London Authority and Combined Authorities/Mayoral Combined Authorities, please provide details of the district council or unitary authority where the bid is located (or predominantly located)	Not applicable
A7. Please append a map showing the location (and where applicable the route) of the proposed scheme, existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Included in response to qA3
A8. Project theme Please select the project theme	<input checked="" type="checkbox"/> <b>Transport investment</b> <input type="checkbox"/> <b>Regeneration and town centre investment</b> <input type="checkbox"/> <b>Cultural investment</b>
A9. Value of capital grant being requested for this project (£):	£50,000,000
A10. Value of match funding and sources (£):	£5,086,000 all from The Highland Council

### A11. Value for Money

This section should set out the full range of impacts – both beneficial and adverse – of the project. Where possible, impacts should be described, quantified and also reported in monetary terms. However there may be some impacts where only a qualitative assessment is possible due to limitations in the available analysis. There should be a clear and detailed explanation of how all impacts reported have been identified, considered and analysed. When deciding what are the most significant impacts to consider, bidders should consider what impacts and outcomes the project is intended to achieve, taking into account the strategic case, but should also consider if there are other possible significant positive or negative impacts, to the economy, people, or environment (Limit 250 words)

An indicative BCR has been prepared to capture the project's tourism sector growth; recreational and amenity benefits and construction benefits. This takes no account of the anticipated, but difficult to monetise, transport economic efficiency, active travel and net zero carbon benefits. The table below presents this indicative BCR.

	Category	Value
<b>Present value benefits</b>		
	Tourism sector growth	139.2
	Recreational and amenity benefits	2.2
	Construction sector benefits	15.0
	Transport Economic Efficiency	Not quantified at this stage.
	Active travel impacts	
	Net zero benefits	
<b>A</b>	<b>Total benefits</b>	<b>156.4</b>
<b>Present value costs</b>		
	LUF request	47.5
	Optimism Bias	14.4
<b>B</b>	<b>Total LUF cost</b>	<b>61.9</b>
	Co-funding public sector cost	4.5
	Optimism Bias on co-funding	1.4
<b>C</b>	<b>Total public sector co-funding</b>	<b>5.9</b>
<b>D</b>	<b>Total public sector cost</b>	<b>67.8</b>
<b>E</b>	<b>Private sector cost</b>	-
<b>Value for money</b>		
<b>(A - E) / B</b>	<b>Indicative BCR on Levelling Up Fund grant</b>	<b>2.5</b>
<b>(A - E) / D</b>	<b>Indicative BCR on all public sector costs</b>	<b>2.3</b>

148 words

A12. It will be generally expected that an overall Benefit Cost Ratio and Value for Money Assessment will be reported in applications. If this is not possible, then the application should include a clear explanation of why not.

This has been captured where possible (see response above)

A13. Where available, please provide the BCR for this project	2.5 (relative to Levelling Up Fund grant)
A14. Does your proposal deliver strong non-monetised benefits? Please set out what these are and evidence them.	<p>The following types of benefits have not been assessed at this stage, but will be considered in future business cases:</p> <ul style="list-style-type: none"> <li>• <b>Reduced congestion:</b> fewer delays will yield journey time saving benefits. The proposals will mitigate key pinch-points, address parking in lay-bys, and make the route easier for larger vehicles to navigate.</li> <li>• <b>Reduced accidents:</b> traffic calming measures will reduce the rate of collisions on the road. The popularity of the NC500 has led to increased numbers of drivers unfamiliar with UK roads and drivers liable to speed, resulting in increased casualties.<sup>13</sup></li> <li>• <b>Active travel and modal shift:</b> 13 active travel and public transport projects are proposed under the investment programme. These will reduce road congestion, improve air quality, and lead to health and well-being benefits.</li> <li>• <b>Net zero benefits:</b> new EV charging stations along the route will encourage more sustainable travel behaviour, leading to reduced emissions.</li> </ul> <p>In addition, the investment programme will also yield a broad range of benefits that cannot be easily monetised through standard appraisal methods, including:</p> <ul style="list-style-type: none"> <li>• <b>Community wellbeing:</b> the proposals are designed to address many of the communities' concerns over visitor numbers. Investment will improve quality of life and return control to local communities.</li> </ul>

<sup>13</sup> Transport Scotland (2021). Scotland's Road Safety Framework to 2030. Available at: <https://consult.gov.scot/transport-scotland/road-safety-framework-to-2030/>

	<ul style="list-style-type: none"> <li>• <b>Environmental benefits:</b> improved waste disposal and public convenience facilities along the route will reduce pollution and risks to water supply.</li> </ul>
<p><b>A15. Deliverability</b>  Deliverability is one of the key criteria for this Fund and as such any bid should set out any necessary statutory procedures that are needed before it can be constructed.</p>	
<p>The development will require planning permission, and environmental and ecological impact reports will need to be obtained.</p>	
<p><b>A16. The Bid – demonstrating investment or ability to begin delivery on the ground in 2021-22</b></p> <p>As stated in the prospectus UKG seeks for the first round of the funding that priority will be given to bids that can demonstrate investment and ability to deliver on the ground in 2021-22</p>	
<p>A17. Does this project includes plans for some LUF expenditure in 2021-22?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>A18. Could this project be delivered as a standalone project or do it require to be part of the overall bid?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>
<p>A19. Please provide evidence</p>	<p>The application relates to a single programme of works which includes 95 separate expenditure commitments (details of these sub-projects are provided in Annex H).</p> <p>Due to the range and nature of the subprojects – and the access and powers available to the Council some projects can move immediately to the delivery stage. Many projects can be delivered early but will be phased over the life of the fund to match internal resources and budget profile.</p>
<p>A20. Can you demonstrate ability to deliver on the ground in 2021-22.</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>



A21. Please provide evidence	Design of A832 Clash Wood – Glen Ord stretch scheduled to be complete by this date, with construction work underway. Traffic monitoring sensors and CCTV also due to be installed by this point.
<b>Statutory Powers and Consents</b>	
A22. Please list separately each power / consents etc. obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them. Any key dates should be referenced in your project plan.	No consents sought yet as funding is not yet secured.
A23. Please list separately any <u>outstanding</u> statutory powers / consents etc, including the timetable for obtaining them.	Some the developments will require planning permission, and environmental and ecological impact reports may need to be obtained.



## ANNEX D - Check List Great Britain Local Authorities

Questions	Y/N	Comments
<b>4.1a Member of Parliament support</b>		
MPs have the option of providing formal written support for one bid which they see as a priority. Have you appended a letter from the MP to support this case?	Yes	
<b>Part 4.2 Stakeholder Engagement and Support</b>		
Where the bidding local authority does not have responsibility for the delivery of projects, have you appended a letter from the responsible authority or body confirming their support?	NA	
<b>Part 4.3 The Case for Investment</b>		
For Transport Bids: Have you provided an Option Assessment Report (OAR)	No	A full OAR was not considered necessary in this instance as the proposal does not involve the development of any new routes. A multi-criteria analysis was undertaken into route improvement options, and is summarised in the response to q.6.2a of this application.
<b>Part 6.1 Financial</b>		
Have you appended copies of confirmed match funding?	Yes	Letter from Chief Financial Officer included
The UKG may accept the provision of land from third parties as part of the local contribution towards scheme costs. Please provide evidence in the form of a letter from an independent valuer to verify the true market value of the land.  Have you appended a letter to support this case?	NA	All interventions requiring land are in remote and rural locations where land values are extremely low. Experience of delivery of such schemes and the associated land values have been incorporated within the budget identification'
<b>Part 6.3 Management</b>		
Has a delivery plan been appended to your bid?	Yes	
Has a letter relating to land acquisition been appended?	NA	
Have you attached a copy of your Risk Register?	Yes	
<b>Annex A-C - Project description Summary (only required for package bid)</b>		

Have you appended a map showing the location (and where applicable the route) of the proposed scheme, existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc.	Yes	Embedded in question response
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# **LEVELLING UP AND COMMUNITY RENEWAL FUNDS**

## **NC500 BID**

### **LETTERS OF SUPPORT**

- Jamie Stone MP
- Ian Blackford MP
- Drew Hendry MP

## Annex 1 – Lead Authority Bid Submission



### Lead Authority Bid Submission Summary

Lead Authority	Highland Council
Place	Highland Council area

This submission must be provided along with the Application Forms for locally shortlisted bids.

Please provide key information for the bidding round undertaken for each place. Please insert extra rows where necessary.

**Please complete a separate submission for each place for which proposals are submitted.**

**Table 1 – Total bids received by Lead Authority**

No of bids received in total	Value of bids received in total (£)	Bid information by investment priority (lead priority where project delivers across priorities)							
		Skills		Business		Community and Place		Supporting Employment	
		No of projects	Value (£)	No of projects	Value (£)	No of projects	Value (£)	No of projects	Value (£)
17	£3,527,111.61	1	76,852	1	92,750	13	3,007,224.61	2	350,285

**Table 2 – Bids submitted by Lead Authority for UKG consideration**

Proposal Name	Short description (50 words)	Investment Priority (Skills, Business, Community, Employment)	Delivers in more than one place. If so, specify places.	£ requested*	Start Date	End Date
Phase 2 Russian Arctic Convoy Exhibition Space  Submitted by: Russian Arctic Convoy Museum, Aultbea	This project will utilise professional services support from Architects, Quantity Surveyors, Civil and Structural Engineers and a Project Manager to prepare the professional and technical groundworks for an investment of around £1.2m for a new expanded Exhibition centre, cafe and shop at our site at Aultbea in Wester Ross.	Business  Communities  Employment		£115,864	July 2021	March 2022
Great Trails in Highland Communities  Submitted by: Highland Council	This project will partner with rural communities throughout Highland to identify opportunities for the improvement/provision of long-distance paths, stimulate new and innovative provision of goods and services to meet the needs of walkers and other path users and spread the	Business  Communities	Across Highland Council	£118,000	01.08.21	31.03.22

	economic benefits of tourism more widely throughout Highland.					
Moving Forwards post COVID Submitted by: The Dornoch Area Community Interest Company (DACIC)	This project will extend two existing part-time posts needed to progress its two major Community Asset Capital projects namely the Dornoch Hub and Project Curlew both delayed due to COVID. These relate to visitor, leisure, sporting and community facilities in the village of Dornoch.	Communities		£57,132	01.08.21	31.03.22
Women's Focussed Incubator for Ambitious Entrepreneurs in The Highlands Submitted by: We are Radikl	This project will deliver targeted support to 2 cohorts of 20 underserved, ambitious women entrepreneurs in a 3-month Business Incubator Programme. This will be a blended online learning programme of modules and online workshops. It will provide access to an online UK-wide network of women entrepreneurs and weekly business coaching.	Business	Across Highland Council	£92,750	September 2021	March 2022
Fort William Links to the Water Submitted by: Highland Council	A feasibility and options appraisal study which will identify and cost the optimal route and method of connecting Fort William Town Centre to its Waterfront (Loch Linnhe – a sea loch).	Business Community		£50,000	02.08.21	25.02.22
Community Jobs Scotland	This proposal offers 6 month paid placements for 30 positions for young	Employment	Across Highland Council Area	£228,285	01.10.21	31.03.22

Intergenerational Pilot Submitted by: the Scottish Council of Voluntary Organisations (SCVO)	and older unemployed people, in third sector organisations based in Highland. These placements will support vulnerable and recently unemployed people to progress in their employment journey, giving them the greatest chance of a positive long-term destination.					
Georgemas Hydrogen Hub Submitted by the Caithness Chamber of Commerce	The project comprises of three feasibility studies to understand the costs and opportunities associated with attracting the investment for creating a transport themed hydrogen hub facility at Georgemas in Caithness	Skills Business Community		£114,744.61	September 2021	March 2022
TOTAL (up to a maximum of £3m per place)				£776,775.61		

\*If proposals span more than one place, please allocate funding on a percentage basis (eg. £1m proposal is expected to deliver in three places, on a 40:30:30 basis – please allocate £400k to place 1, £300k to place 2 and £300k to place 3).

**Table 3 – Outcome indicators per submitted proposal –**

Proposal Name	Outcome Indicator 1	Outcome Indicator 2	Outcome Indicator 3	Outcome Indicator 4	Outcome Indicator 5	Outcome Indicator 6
Phase 2 Russian Arctic Convoy Exhibition Space	Jobs safeguarded as a result of support - 2 FTE	Potential for investment of £1,200,000 attracted as a result of support				



Great Trails in Highland Communities	Organisations engaged in knowledge transfer activity following support - including small businesses, community-based organisations, and communities of interest, such as management groups and to include looser associations of stakeholders.	Feasibility studies developed as a result of support. This will include community-based feasibility studies submitted by individuals, businesses, communities, communities of interest and public, private and voluntary sectors. It will also include the Whole Project	Feasibility Study - Increase in visitor numbers as a result of support. The project will establish a baseline for future monitoring and evaluation and a mechanism for post-project monitoring of people counters installed by the project			
Moving Forwards post COVID	Employment increase in supported businesses as a result of support	Jobs safeguarded as a result of support	Investment attracted as a result of support	Increase in footfall as a result of support	Increase in visitor numbers as a result of support	Delivery of agreed 5 year business plan as part of the BID
Women's Focussed Incubator for Ambitious Entrepreneurs in The Highlands	The project will deliver on the 'Investment attracted as a result of support' outcome, by supporting 40					

	<p>women-led, small businesses in the Highland region. By supporting their sustainability and growth ambitions we hope to develop these businesses, some of which will seek investment. As previously stated 34% of our participants reach funding/investment ready levels in the first two years trading.</p>					
<p>Fort William Links to the Water</p>	<p>The project will deliver a feasibility study. This study will help to deliver the following outcomes:</p> <ul style="list-style-type: none"> <li>- Innovation plans developed as a result of support- 1</li> </ul>					

	<ul style="list-style-type: none"> <li>- Investment attracted as a result of support</li> <li>- Increase in footfall as a result of support</li> <li>- increase in visitor numbers as a result of support</li> </ul>					
Community Jobs Scotland Intergenerational Pilot	A more person-centred, values-based, holistic job opportunity for a vulnerable person	Additional support to employers to deliver expert employability support, maximising the contribution of the voluntary sector	Fair work and sustainable outcomes	Better, future-focused, meta-skills to enable people to get in to, and stay in, quality jobs.	People engaged in job searching following support	People in education/training following support
Georgemas Hydrogen Hub	3 x Feasibility studies	A carbon management plan as part of the design and development feasibility for the Hub	An Innovation Plan as part of the design and development feasibility for the Hub	9 Organisations engaged in knowledge transfer activity following support		

**Table 4 – Local strategic fit and deliverability considerations per submitted proposal**

Please provide short answers setting out the Lead Authority’s assessment of these factors. UK Government will review Lead Authority considerations alongside the statements provided by the Project Applicant in the Application Form.

Proposal Name	How well does the proposal contribute to local needs set out in relevant local growth plans? What evidence is there of local support?	How does the project align with other existing or planned activities in the area?  <i>Is the project linked to other UK Community Renewal Fund bids?</i>  <i>Is the project important to taking forward other local activity?</i>	Is the project deliverable within the stated timeframe?  <i>Are there any local considerations that might affect the implementation of the project as described?</i>
Phase 2 Russian Arctic Convoy Exhibition Space	<p>The visitors to the museum, pre Covid, was 6,000 a year and the local community benefited for the economic impact these visitors have through spending locally. The museum is located on the NC500 route which in 2019/20 generated more than £20m economic impact across the route.</p> <p>If the project application is successful and leads to the build of the Exhibition extension then, based on the nearby Gairloch Museum expansion, it is expected that visitor numbers will double from 6,000 a year to 12,000 a year. This increase in footfall, visitor numbers, and revenue aligns with the wider local and national objectives to grow the economy, increase the benefit</p>	<p>There is a clear geographical alignment to the newly refurbished Gairloch museum and the North Coast 500 route.</p> <p>This application is not linked to any other UK Community Renewal Fund bids in Highland</p>	<p>The start date is given as July 2021 and should the award be successful in July 2021 then the project should be deliverable within the stated timescale.</p> <p>It is not expected that any local considerations will affect the implementation of the project as described.</p>

	from visitor income, and provide wider spend to business in Aultbea and surrounding villages		
Great Trails in Highland Communities	<p>Project contributes to Investment for local businesses and Investment in communities and place by partnering with rural communities throughout Highland to identify opportunities for the improvement of long distance paths, stimulate new provision of goods and services within communities and spread the economic benefits of tourism throughout Highland to benefit local, visitors and the environment. Highland.</p> <p>Project will address local priorities as set out in The Highland Council (THC) Visitor Management Plan, THC Corporate Plan and THC Indicative Spatial Strategy. Although no direct evidence of local support, the nature of the project clearly demonstrates an ability to work in local areas as appropriate.</p> <p>Project also addresses many priorities as set out LEADER programme local area action plans that were developed in consultation with local communities</p>	<p>It aligns very strongly with multiple elements of national, regional and local strategic plans such as;</p> <ul style="list-style-type: none"> <li>• Scottish Government’s National Walking Strategy (2014) which identifies an aim to empower communities to develop community-based approaches to walking development amongst other aims.</li> <li>• Visit Scotland’s Visitor Management Strategic Framework which identifies a place-based approach respecting communities, a sustainable visitor infrastructure; integrated transport solutions and support for communities to develop local skills and capacity to develop local approaches to visitor management.</li> </ul>	<p>Yes, it is deliverable within the stated timeframe.</p> <p>It is not expected that any local considerations will affect the implementation of the project as described.</p>

<p>Moving Forwards post COVID</p>	<p>Project addresses priorities as set out in Scotland's Economic Strategy, NPF 3 and the Caithness and Sutherland local plan. Application also notes extensive engagement via open days, surveys and questionnaires and also notes that letters of support from business and the community are available.</p> <p>DACIC also has 227 personal members from the IV25 area and a business group with 95 members.</p>	<p>Since the launch of Highland &amp; Island Enterprise's <a href="#">Dornoch Economic Masterplan</a> in 2013, DACIC has raised £350k to improve the visitor experience through branding, digital marketing, street signage and events. This has led to an increase in the number of visitors and to the length of the tourist season.</p> <p>This application is not linked to any other UK Community Renewal Fund bids in Highland</p>	<p>Yes, it is deliverable within the stated timeframe.</p> <p>It is not expected that any local considerations will affect the implementation of the project as described.</p>
<p>Women's Focussed Incubator for Ambitious Entrepreneurs in The Highlands</p>	<p>The online workshop looks to develop a local network of entrepreneurs and it does suggest, in general terms, that benefits will accrue locally as a consequence of this project's success</p>	<p>Project offering appears to be more in-depth in specific areas and builds on that support of a group coming together, so there are areas that are not currently supported locally. It is useful to note that in 19/20 more than half (54%) of Business Gateway Highland start-ups were women so this would feed into their proposal of targeted support.</p> <p>This application is not linked to any other UK Community Renewal Fund bids in Highland</p>	<p>Yes, it is deliverable within the stated timeframe.</p> <p>It is not expected that any local considerations will affect the implementation of the project as described.</p>
<p>Fort William Links to the Water</p>	<p>Despite its close proximity, Fort William town centre is separated from Loch Linnhe by six lanes of carriageway. Investment in the Town Centre has</p>	<p>Creating an attractive link through to the waterfront will enhance this ongoing work</p>	<p>Yes, it is deliverable within the stated timeframe.</p>

	<p>been a priority for a number of years and almost £1 million of funding has already been invested to create an events area and increase green space in the High Street, making it a more attractive destination.</p> <p>In a number of community consultations such a crossing has been ranked as a high priority by the community.</p>	<p>in the town centre and the proposal sits comfortably within the Town Centre plan.</p> <p>This application is not linked to any other UK Community Renewal Fund bids</p>	<p>It is not expected that any local considerations will affect the implementation of the project as described.</p>
<p>Community Jobs Scotland Intergenerational Pilot</p>	<p>This proposal will address all five priorities of the Highland Strategy for Youth Work 2019-2024, in that it improves community involvement (every job needs to have community benefit), improves democracy (SCVO engages users and employers in lived experience panels), improves health &amp; wellbeing (building relationships and providing mental health support), improves inclusion (removing barriers and targeting those furthest from labour market) and provides enhanced opportunities and training.</p> <p>It also fulfils elements of the Highland Outcome Improvement Plan 2017-2027, providing economic opportunities to address inequalities, tackle stigma and discrimination, invest in strong</p>	<p>SCVO already works with a large number of partners as part of the referral, wraparound and job creation process (e.g. DWP – Dept for Work and Pensions, Skills Development Scotland, Third Sector Employability Forum, Calman Trust, New Start Highland, ILM Highland, Cairn Housing Association, Apex Scotland, Citizens Advice Bureau, Lochaber Hope, Birchwood Highland).</p> <p>This is the only application from the SCVO on the Community Jobs Scotland Intergenerational Pilot in Highland and is not linked to any other application in Highland.</p>	<p>Yes, it is deliverable within the stated timeframe.</p> <p>It is not expected that any local considerations will affect the implementation of the project as described.</p>

	<p>communities and provide the living wage, without which contributes to in work poverty, particularly prevalent in remote and rural communities.</p> <p>SCVO will also provide both the employer and employee with access to additional training and support.</p> <p>This is a tried and tested model that has successfully offered nearly 10,000 jobs across Scotland in the past 10 years</p>		
Georgemas Hydrogen Hub	<p>The objective of the Caithness and North Sutherland Re-generation Partnership (CNSRP) is, “ To maintain, and if possible increase, the GDP of the Dounreay travel to work area by actively working to promote existing employment, encourage new employment, and promote the area as an attractive location to live and work”</p> <p>The principal public bodies with responsibility for socio economic development in the Caithness and North Sutherland area are Highlands and Islands Enterprise, Highland Council, The Nuclear Decommissioning Authority , the University of the Highlands and Islands, North Highland college, Skills Development Scotland, Caithness Chamber of Commerce and</p>	<p>CNSRP have set a programme of work comprising Major Projects and Enabling Activities designed to target the creation of circa 2,000 jobs over the next decade to rebalance the economy –as the Dounreay site decommissions. These jobs are expected to be created in mainly technically based industries, with renewable energy at the core of many of these developments .Caithness Chamber of Commerce with over 220 members of its own is acutely aware of the impact decommissioning of the Dounreay Nuclear Site will have on the local area in terms of economic activity, supply chain sustainability, population, skills and education. CNSRP Major Projects include activities that would support the transition of a highly educated, highly skilled nuclear</p>	<p>Yes, it is deliverable within the stated timeframe.</p> <p>It is not expected that any local considerations will affect the implementation of the project as described.</p>



	<p>Dounreay Site Restoration Ltd and they contribute to or have in one form or another been the partners of CNSRP.</p>	<p>workforce into other energy related or highly skilled sectors. For example, Space Hub Sutherland expects its first launch by the end of 2022, and this is expected to bring 40 FTE to the local community and a total of 300 FTE throughout Scotland.</p> <p>In addition, there are projects in pursuit of the STEP Fusion Reactor which would present a natural transition for the nuclear workforce and local supply chain</p> <p>This feasibility project fits into the Alternative Fuels project round</p> <p>Hydrogen, Rail and Heavy Transport. A full-scale project of this nature could attract skilled talent to the CNSRP area as well as offering opportunities for the existing Nuclear workforce and supply chain while meeting UK and Scottish Government net-zero ambitions</p> <p>This application is not linked to any other UK Community Renewal Fund bids.</p>	
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**Table 5 - Lead Authority management costs**

Proposal Name	Management cost contribution (£)	% of anticipated spend	Comment

		(2% or 3%)	<i>If 3% required, please provide a justification as to why it is required, having regard for section 2.3 above.</i>
Phase 2 Russian Arctic Convoy Exhibition Space	£2,317.28	2% (of £115,864)	
Great Trails in Highland Communities	£2,360	2% (of £118,000)	
Moving Forwards post COVID	£1,142.64	2% (of £57,132)	
Women's Focussed Incubator for Ambitious Entrepreneurs in The Highlands	£1,855.00	2% (of £92,750)	
Fort William Links to the Water	£1,000	2% (of £50,000)	
Community Jobs Scotland Intergenerational Pilot	£4,565.70	2% (of £228,285)	
Georgemas Hydrogen Hub	£2,294.89	2%	

		(of £114,744.61)	
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### Lead Authority Role - Functional Statements

Lead Authorities should describe the proposed systems and processes they will use in carrying out their role. Where required, please provide links or attach relevant documents. Please limit each answer to 500 words or less.

Identification of a Senior Responsible Officer
Malcolm MacLeod, Executive Chief Officer – Infrastructure and Environment, Highland Council HQ, Glenurquhart Road, Inverness, IV3 5NX, 01463 702506
Operation of an open process by which organisations are invited to submit bids
See <a href="#">UK Community Renewal Fund   Brexit   The Highland Council</a> published on 30 <sup>th</sup> April 2021 for invitation to bid to the UK Community Renewal Fund. This was accompanied by press and social media releases. On 13 <sup>th</sup> May 2021 a paper was presented to Full Council on both the Levelling Up Fund and the UK Community Renewal Fund where recommendations on process were agreed - see <a href="#">Highland Council   The Highland Council</a> .
Objective and transparent assessment and prioritisation of proposals
Once all bids were received, the Highland Council LEADER Team were briefed on the assessment process and given subsequent updates from UK Government Scotland Office/MHCLG weekly drop in sessions. The Leader Team then assessed proposals against the Gateway criteria before moving on to the selection criteria using a scoring system as per attached CRF Supporting Documentation – Scoring Template. As Highland Council is not a priority place the assessments carried out needed to meet the 80% or above threshold. To ensure consistency of scoring and appropriate applicability of criteria, the assessment process was reviewed to ensure consistency and a common approach. The successful projects were then presented to an all Member seminar

<p>before submission to the UK Government. In line with guidance given, no staff that were involved in the assessment of the projects had any involvement in the development of the application that is submitted from The Highland Council</p>
<p>Due diligence</p>
<p>As part of the assessment of all projects a due diligence check was undertaken to confirm that the applicant is genuine and that they have the financial standing and sufficient capacity to deliver the proposed activities. All projects submitted as part of this bid have passed the due diligence check. Any further requirements around due diligence will be covered with specific project conditions should the application be approved. All successful bidders, with the exception of We are Radikl, were known to Highland Council staff due to involvement in previous or existing project work.</p>
<p>Procurement</p>
<p>All non-public sector applicants will be provided with the best practice procurement guidance attached as per attached CRF Supporting Documentation – Highland Council Procurement Guidelines. This guidance sets out the thresholds that should be followed. Adherence to this will be by means of a specific project condition within the funding agreement that requires applicants to follow the supplied guidelines unless otherwise agreed in writing by Highland Council. This ensures that value for money can be evidenced and minimises the risk of fraud. In recognition of the fact that remote and rural communities can find procurement challenging (for example difficulties in obtaining sufficient quotations due to suppliers declining to travel to the area), Highland Council reserves the right to use other means of evidencing value for money if required, for example through benchmarking or undertaking specific value for money assessments.</p>
<p>Funding agreements with project deliverers</p>
<p>All applicants will be issued with a funding agreement between themselves and Highland Council that sets out the obligations on both parties in respect of the grant award. This agreement will reflect the requirements that the Local Authority has to meet as agreed between the Local Authority and the</p>

Secretary of State. The Highland Council already administers a number of funding streams that third parties can access and therefore there are templates that can be adapted for this fund meaning that projects will be able to move forward quickly following approval by the Secretary of State.

#### Payments and monitoring

The Council has well established policies and procedures to manage a wide variety of work and the Council's operating procedures are outlined in the Corporate Standing Orders, September 2012 V1.0. The Council also has well established Financial Procedures which are outlined in the Financial Regulations, March 2012.

Lead Authority management costs will be £15,535.51. Highland Council will provide, in kind, senior and experienced staff to oversee projects. This will allow for specific staff time to be devoted to the administration of the scheme, particularly with regards the financial administration and monitoring of grant payments to third parties. All project applicants will be issued with a funding agreement that will outline the requirements that they should meet. A change request process will form part of overall process.

At project inception a claims schedule will be agreed with applicants that sets out the dates and amounts for project claims. This will also detail whether an advance payment is required at any stage. Due process will be undertaken to ensure that any advance payments are directly linked to any work undertaken. All claim submissions will be accompanied by a progress report. Invoices and bank statements to evidence defrayal of funds will be required for all payments. Applicants will also be required to submit an end of project report detailing how the anticipated outcomes were achieved and any other requirements as detailed in the UK Governments monitoring and evaluation framework. A reconciliation on overall costs/funding for the project will be undertaken prior to the payment of the project final claim.

Highland Council also has its own Internal Audit Team that undertake independent audit reviews of the Council's activities and reporting the audit findings to Management. The scope of Internal Audit work allows for unrestricted coverage of the Council's activities and unrestricted access to any information necessary during the course of an audit review/ investigation. This process ensures that the Council is operating within the various requirements placed on operations. The Team has extensive experience of operating at first level audit control for Structural Funds and wider cross Border and Inter-regional funds.

#### Evaluation

This will be in line with guidance provided by the UK Government and, as required, will be built into each project at funding agreement level.

Branding and publicity

All projects committed to comply with the Fund aspects of branding and publicity requirements. Highland Council will monitor adherence to the branding and publicity requirements as set out in the technical note from project applicants and deliverers. These requirements will form part of the funding agreement with successful applicants.



# UK Government

## UK Community Renewal Fund Application Form

This form is for project applicants, applying for funding from the UK Community Renewal Fund across the UK. **Annex D in this document includes General Guidance for Completing the Application Form.**

The UK Community Renewal Fund Prospectus, Assessment Criteria, a Technical Note for Project Applicants and Deliverers and Technical Note for Lead Authorities are available [here](#).

The level of information provided should be proportionate to the size and complexity of the project proposed.

### Applicant Information

**Applicant name:** Russian Arctic Convoy Museum

**Bid Manager Name and position:** John Casson MBE Co Chairman

**Contact telephone number:** [REDACTED]

**Email address:**  
[REDACTED]

**Postal address:** Russian Arctic Convoy Museum.  
[REDACTED]

**Website:** <https://racmp.co.uk/about-us/>

**Company Registration Number (where relevant):**

**Charity Registration Number (where relevant):** SCO47909

**Senior Responsible Officer contact details:** John Casson MBE Co Chairman  
[REDACTED]

**Please confirm the type of organisation:** Scottish Charity SCIO

Local authority		University
Private sector		FE College
Voluntary sector		Other (please specify)

<b>Value being Requested (£):</b>	115,864.00
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**The Bid - investment priority**

Please select which investment priority or priorities of the UK Community Renewal Fund are you applying under:

- Investment in skills
- Investment for local businesses
- Investment in communities and place
- Supporting people into employment

<p><b>Private and Voluntary Sector Applicants in Northern Ireland.</b> Please confirm you have attached a copy of the applicant's latest accounts.</p>	<p>YES/NO N/A</p>
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<b>Part 11 - Project Summary</b>	
1a Project Name	Phase 2 Russian Arctic Convoy Exhibition Space
For questions 1b-1f, please describe in 500 words or less per question. Please be as concise as possible.	
1b What activities will take place?	
<p>We need professional services support from Architects, Quantity Surveyors, Civil and Structural Engineers and a Project Manager to prepare the professional and technical groundworks to enable the Board to apply to major capital funders for an investment of around £1.2m for a new expanded Exhibition centre, cafe and shop at our site at Birchburn Aultbea in Wester Ross. We also require an Interpretation Plan and a small amount of capital to purchase some additional land for a memorial garden and car park.</p>	
1c Who will deliver the activities?	
<p>We are yet to confirm the professional team , but have obtained 3 quotes for Architectural drawings and a Design Statement and 3 quotations for project management for a 9-month period.</p> <p>The range of professional and technical consultancies as outlined above, will be coordinated by a project manager. They will oversee Phase 2 including:</p> <ul style="list-style-type: none"> <li>• community engagements ,</li> <li>• a robust business case, architect's drawings to RIBA Stage 4,</li> <li>• visualisation drawings for planning,</li> <li>• a design statement, site investigations,</li> <li>• the purchase of an adjacent plot of land for increased car parking the creation of a Memorial Garden to commemorate those who gave their lives in the Convoys</li> <li>• the preparation of a Funding Strategy for the major applications</li> <li>• a Development Plan for the next 10 years.</li> </ul>	
1d How will the activities be delivered?	
<p>We have created a project plan which outlines key outputs against timescales and professional and technical tasks which require to be completed before we are in a state of readiness to make major funding applications.</p>	
1e Who will be the beneficiaries of the project?	
<p>The visitors to the museum (pre covid 6,000/year) and the local community through the economic impact these visitors have through spending locally. The museum is located on the NC500 route which in 2019/20 generated more than £20m economic impact across the</p>	

Highlands.			
In 2019/20 the Gairloch Museum, 7 miles from us, relocated from their old premises to a newly refurbished exhibition space complete with cafe and shop Their visitor numbers doubled from 5,000 visitors to 10,000 in their first year. We therefore feel something similar would be the case if we can secure the major capital but to make such applications requires the above due diligence works to be completed/			
We will also create a cafe for the village which will be a new business and created 4-7 jobs which for Aultbea is significant.			
1f Where will the activities take place?			
Birchburn, Aultbea by Achnasheen IV22 2HZ			
1g When will the project start?	July 2021	When will the project end?	March 2022
1h Which places (district or unitary areas) will benefit from the activity?			
Local Authority Area		Approximate percentage of activity / expenditure	
Highland Council Wester Ross around Loch Ewe		100%	
1i What are the key milestones for the development and implementation of the project?			
<b>Milestone</b>			<b>Target Month</b>
Project management support			July 2021-March 2022
Development of Architect Designs			August/September 2021
Completion of Relevant Surveys (Bats, PEIA, Traffic Survey etc.)			August/September 2021
Submission of Planning Application and building warrant			December 2021
Completion of Interpretation Plan			December 2021
Completion of Ten-Year Development Strategy			January 2022
Purchase of Adjacent Land			January 2022

## Part 2 - Artoject Impact

For questions 2a-2d, please describe in 500 words or less per question. Please be as concise as possible.

2a What will be the short and long-term benefits of the project on its beneficiaries and the wider community?

- By attracting more visitors will attract more spending locally. There will also be a beneficial impact of the operational viability of the Russian Arctic Convoy charity in that by increasing income it will improve a safeguard it's sustainability.
- Across the last pre-covid full financial year, admissions fees accounted for just under £23,000 in revenue. A modest increase from £4 to £5 for adults to the pricing structure will provide £5 per adult, £3 for children over 12s.
- In addition, this business plan projects a conservative increase of 10% on existing visitor numbers. Therefore, assuming 6,600 visitors 85% of whom are adults, the projected income will be £28,050 from adults and £2,970 for over 12s. This increase has been assumed primarily in relation to the improved and expanded Exhibition Centre , with additional consideration of year-on- year growth of tourism numbers in the local area.
- When the new extension is built, we think numbers will increase in line with those at the nearby Gairloch Museum and we should regularly attract 10,000 annual visitors generating £47,700 income and creating and sustaining 3 jobs.

2b How does the proposal align with local needs and long-term strategic plans for local growth?

In our Business Plan we are projecting the five-year finances for this project, the following growth assumptions have been considered:

- Revenue generated has been increased year on year by 5% recognising the potential that could be recognised from growing visitor numbers in the area, and the short to medium term focus on staycations and local visitors. This includes admission fees, membership subscriptions, gift aid, retail sales, and cafe revenue.
- Fundraising has been projected with a year- on- year growth of 2%.
- Cost of goods for retail and food and drink remain at 35% of sales accordingly. All other costs are subject to a 2% year on year growth.

If we can build the Exhibition extension then we are likely to double our visitor numbers from 6,000/year to 12,000/year based on the same scenario at the Gairloch Museum who achieved this following their recent expansion and relocation plan.

This increase in footfall, visitor numbers, and revenue aligns with the wider local and national objectives to grow the economy, increase the benefit from visitor income, and provide wider spend to business in Aultbea and surrounding villages.

2c How does the project support the Government's Net Zero ambitions or wider environmental

<p>considerations? (This is not a requirement for employment support proposals)</p>
<p>We are planning to have the new extension fully insulated and use green technology air source heat pumps for heating. When these works are being done, they will extend to our existing building and significantly reduce energy wastage through these steps as well as energy efficient LED lighting throughout.</p>
<p>2d How does the project demonstrate innovation in service delivery?</p>
<p>There are only limited cafe facilities in Aultbea so providing more of a cafe/coffee shop within the museum for the village would be an innovation. We are also planning a Memorial Garden which again will be a first.</p> <p>The RACP Board has an ambition to become the Centre of Excellence for the interpretation the Convoys for an international audience, providing records, and access to artefacts both on site and online.</p>
<p>2e Which groups will your UK Community Renewal Fund project target?</p> <p><i>Please describe below and complete Annex A - Project Impact Indicators</i></p>
<p>Mainly tourists and families of former WWII Arctic Convoy veterans. We are located on the NC500 Route and since moving to this location in 2017 our numbers trebled from 2,000 visitors/year to 6,000/year . With a new Exhibition space, cafe and shop we hope to double these within a year of opening.</p> <p>In addition, the increased number of visitors will provide positive economic impact to other nearby businesses, attracting many who have previously bypassed the village whilst travelling the NC500.</p>
<p>2f Please describe how you have considered the equalities impacts of your proposal, the relevant affected groups based on protected characteristics, and any measures you propose in response to these impacts.</p>
<p>We will carry out an Equalities Impact Assessment (EqIA) to ensure our plans fully consult and engage with hard-to-reach groups or people with protected characteristics, and that the measurable medium to long term impacts of the project consider key visitor groups including those with protected characteristics.</p> <p>Throughout the design process, our brief will ensure all professional services refer to the EqIA in their processes and promote and incorporate accessibility in all areas of design and interpretation.</p>
<p>2g What UK Community Renewal Fund Outcomes will the project deliver?</p>

<i>Please describe below and complete Annex A - Project Impact Indicators</i>
We hope to attract new visitors to our expanded museum, new cafe and shop. Many of our visitors are economically inactive through retirement and we attract many war veterans and former military. However, most visitors are in employment with a much lower number being unemployed. We have had to estimate these numbers as we cannot collect personal information of visitors due to GDPR regulations .
2h How have the outcomes been estimated?
They are based on the success story of the nearby Gairloch Museum and about what we know the local circumstances are. For example, we hope that 1.5 FTE jobs will be sustained and maybe create another 0.5 FTE. The cafe will have a further 2-3 staff. Creating employment opportunities for 5-7 local people is hugely significant in a very small isolated rural community such as Aultbea.
2i Would you expect to achieve any of these outcomes without UK Community Renewal Fund support?
No not to any significant extent.

<b>Part 3 - Funding Package</b>
3a How much UK Community Renewal Fund investment is sought? <i>Please also complete Annex B - Funding Package and Profile</i>
£115,864.00
3b Does the funding package include any match funding? If so, how much? £20,000 When will any funding that is not in place be secured?
It's already secured from our own funds.
3c What will the funding package be spent on?
Project management (3 quotes taken) £60,000 Architect's drawings and Design Statement (3 quotes taken) £12,000 Technical and professional consultants, QS, £4,800, Civil and Structural Engineers £4,800 Planning requirements; Bat survey £2,400, Pre-Ecological Appraisal £2,400, Traffic Management Survey £2,400, Flood Impact Assessment £2,400, Ground test bores £2,400

An Interpretation Plan £9,600
Preparation of 10 Year Development Strategy £12,000
Planning application fees and Building Warrant fees £6,000
Purchase of adjacent land and conveyancing and Legal fees £12,000
Evaluation £2,664.00
3d How has the overall budget been estimated, what has been done to test that it is accurate, how would any unexpected costs be managed?
Quotes have been obtained to ensure best value.

<p><b>Part 4 - A project Appraisal of Experience and Capacity</b></p> <p>Please provide responses to each question to 250 words or less. Please be as concise as possible.</p>
<p>4a What experience does the organisation have of delivering this type of activity?</p> <p>Whilst the group alone has limited experience in the required services, we have worked previously with professional consultants to develop the Exhibition Centre.</p> <ul style="list-style-type: none"> <li>• We have just successfully delivered the relocation of the Museum from Inverasdale Primary school.</li> <li>• We were successful in our grant applications to the Scottish Land Fund and Highland LEADER securing £142,000 to buy and convert the old butcher's shop in Aultbea to our new facility.</li> <li>• We then applied and were awarded £100,000 to reduce the CO2 emissions in this building by putting a new insulated roof and installing all external walls and replacing and double glazing all windows and doors and installing LED low energy lighting.</li> </ul>
<p>4b Describe the resources (e.g. staff) the organisation has available now to deliver the project?</p> <p>We have one full time member of staff supported by an external project manager. If the funding is made available, we will have a full suite of professional support available for a fixed term contract to enable us to properly ensure all due diligence is in place before approaching major capital funders for grants of around £1.2m.</p>
<p>4c If the organisation will have to recruit staff or appoint contractors what plans are in place to manage the risk of delay?</p> <p>We have already sounded out potential contractors and have 3 quotes for architects and project managers, this prospective exercise has confirmed that the services are available within the proposed timescales.</p>
<p>4d Describe the systems and processes that will be used to ensure only costs directly related</p>

to the project will be included in grant claims.

There will be a project plan against outcomes specific to this grant. These will be monitored and approved by the chairman and Treasurer.

Our newly appointed treasurer has been recruited as a Trustee from the financial services sector and is highly competent in accounting, bookkeeping and financial management. Our current project manager has experience in managing claims and reporting to a wide range of funders. Together, they have recently managed and reported the claims for Museums Galleries Scotland, and the Climate Challenge Fund.

## **Pcant 5 - Priojject Risk MaRagement**

Please limit our responses to each question to 250 words or less. Please be as concise as possible.

### **5a Summarise the key risks to the project in Annex C - Project Risks**

The main risk will be making sure we secure adequate funding to deliver all the preparatory work in getting our project ready for the Funding application stage to meet all major funders' requirements.

The next risk might be if another COVID Lockdown is instigated and the then curtailed abilities of our various consultants to deliver the project in a 9-month timescale.

The third risk and this is significantly lower will be to identify appropriately experienced architects and project management consultancy to carry out the work. This is a lower risk as the RAC Board have already taken 3 quotes from both Architects and Heritage Project management consultants.

### **5b Describe the process and that will be used to monitor risk.**

We will have a Project Plan which will link tasks to outcome and timescales. There will be a monthly report to the RAC Board which will closely monitor all project outputs. Our Project Manager will supervise and coordinate the work of all other professional disciplines including Architects, Quantity, Civil and Structural Engineers and Heritage consultant on the Interpretation Plan.

We will have a project risk register with a traffic light system to monitor the progress of each individual aspect of the project.

The Board and the current project manager are experienced in managing risks, and would ensure it is scheduled as a standing agenda point. In addition, a schedule of project update meetings and a communications plan would be developed at the start of the project.

## **ant 6 - Evaluation**

6a A key objective of the UK Community Renewal Fund is to try new ways of delivering activity to businesses and people. It is important that projects are robustly evaluated and that learning is shared with others.

Please limit your responses to around 500 words and describe

- how the project will be evaluated, in terms of how it was delivered and its impact on clients
- how the findings of the evaluation will be disseminated

The project will be evaluated against targets set in the project plan at the outset of the project as measured both qualitatively (visitor's experience) and quantitatively (numbers of new jobs created and number of new visitors).

We have a Monitoring and Evaluation framework which we will use for this process.

1. Step 1: Identify Program Goals and Objectives.
2. Step 2: Define Indicators.
3. Step 3: Define Data Collection Methods and Time line
4. Step 4: Identify M&E Roles and Responsibilities.
5. Step 5: Create an Analysis Plan and Reporting Templates.
6. Step 6: Plan for Dissemination and Reporting results.

The findings will be disseminated by reporting the project's results to the funder and posting an Executive Summary of these on our website so others can learn from the work we did.

### **Part 7 - Subsidy Control**

All bids must also consider how they will deliver in line with subsidy control (or State Aid for aid in scope of the in Northern Ireland Protocol) as per UK Government guidance: <https://www.gov.uk/government/consultations/compliance-with-the-uks-international-obligations-on-subsidy-control-aidance-for-public-authorities>

7a Does any aspect of the project involve the provision of subsidies (or State Aid)?

No

7b If yes, briefly explain how the subsidies or state aid are compliant with the UK's subsidy control regime as set out in the guidance.

N/A

### **Part 8 - Branding and Publicity**

Guidance on the branding and publicity requirements for the UK Community Renewal Fund is set out in the Fund Technical Note for Project Deliverers.

8a Please confirm that you have read and will comply with all aspects of the Fund branding and publicity requirements.

Yes

### **Data Protection**

Please note that the Ministry for Housing Communities and Local Government (the Department) will be a Data Controller for all UK Community Renewal Fund-related Personal Data collected with this form and submitted to the Department, and the control and processing of Personal Data.



Mayoral Combined Authorities , the Greater London Authority, County Councils or Unitary Authorities, have been designated as a 'Lead Authority' in Great Britain for the UK Community Renewal Fund. Each Lead Authority has been invited to run a local bidding process and will be a Data Controller for all UK Community Renewal Fund related Personal Data collected with the relevant forms as part of this process, and the control and processing of Personal Data, where such applications are not submitted to the Department for consideration.

The Lead Authority (in Great Britain) and the Department will processes all data according to the provisions of the Data Protection Act 2018 and the UK General Data Protection Regulation 2018 (UK GDPR) all applicable laws and regulations relating to processing of Personal Data and privacy, including, where necessary, the guidance and codes of practice issued by the Information Commissioner and any other relevant data protection regulations (together "the Data Protection Legislation (as amended from time to time)").

As a Processor of UK Community Renewal Fund-related Personal Data your organisation and the Lead Authority (when acting in Great Britain) must ensure that such Personal Data is processed in a way which complies with the Data Protection Legislation (as amended from time to time).

By proceeding to complete and submit this form, you consent that the Lead Authority (in Great Britain) and its contractors where relevant, and the Department, and its contractors where relevant, may process the Personal Data that it collects from you, and use the information provided as part of the application to the Department for funding from the UK Community Renewal Fund, as well as in accordance with its privacy policies. For the purposes of assessing your bid the Department may need to share your Personal Data with other Government departments (such as the Department for Work and Pensions) and departments in the Devolved Administrations and by submitting this form you are agreeing to your Personal Data being used in this way.

Data Controller, Personal Data, Personal Data and Processor all have the meaning given to them in the Data Protection Legislation (as amended from time to time).

**You can find more information about how the Department deals with your data here:**

<https://www.gov.uk/government/publications/uk-community-renewal-fund-prospectus>

#### **Part 9 - Project Applicant Statement**

I declare that I have the authority to represent the project applicant in making this application. I understand that acceptance of this application form by the Lead Authority (in Great Britain) or the Ministry for Housing Communities and Local Government (the Department) does not in any way signify that the project is eligible for funding under the UK Community Renewal Fund or that any such funding has been approved towards it.

On behalf of the project applicant and having carried out full and proper inquiry, I confirm to the Lead Authority (in Great Britain) and the Department that:

- the project applicant has the legal authority to carry out the project; and
- the information provided in this application is accurate.

I also confirm to the Lead Authority (in Great Britain) and the Department that:

I have informed all persons whose personal information I have provided of the details of the personal information I have provided to you and of the purposes for which this information will be used, and that I have the consent of the individuals concerned to pass this information to you for these purposes;

I consent to the Personal Data submitted with this form being shared as set out in this form and in accordance with the Lead Authority's Privacy Policies (in Great Britain) and the Department's Privacy Policies;

I shall inform the Lead Authority (for Great Britain projects) if, prior to any UK Community Renewal Funding being legally committed to the project applicant, I become aware of any further information which might reasonably be considered as material to the Lead Authority or the Department in deciding whether to fund the proposal;

For Northern Ireland projects, I shall inform the Department if, prior to any UK Community Renewal Funding being legally committed to the project applicant, I become aware of any further information which might reasonably be considered as material to the Department in deciding whether to fund the proposal;

Any match funding that has been set out in part 3 will be in place prior to any award of UK Community Renewal Funding; and

I am aware that if the information given in this application turns out to be false or misleading, the Lead Authority (where relevant) or Department may demand the repayment of funding and/or terminate a funding agreement pertaining to this proposal.

I confirm that I am aware that checks can be made to the relevant authorities to verify this declaration and any person who knowingly or recklessly makes any false statement for the purpose of obtaining grant funding or for the purpose of assisting any person to obtain grant funding may be prosecuted. A false or misleading statement will also mean that approval may be revoked and any grant may be withheld or recovered with interest.

I confirm that I understand that if the project applicant commences project activity, or enters in to any legally binding contracts or agreements, including the ordering or purchasing of any equipment or services before the formal approval of the project, any expenditure is incurred at the organisation's own risk and may render the project ineligible for support.

For and on behalf of the project applicant

Name: John Casson MBE

Position

*Co-Chairman*

Date | 13<sup>th</sup> May 2021

Annex A - Project Impact Indicators			
1 a Which groups will your UK Community Renewal Fund project target?			
Main Indicator	Indicator Subset	Target Group	Number
People	Economically Inactive	Yes	<b>200</b>
	Unemployed	Yes	<b>50</b>
	Employed	Yes	<b>6,000</b>
	Total		6,250
Businesses	Small <sup>1</sup>	Yes	<b>2</b>
	Medium <sup>2</sup>	Yes	<b>0</b>
	Large <sup>3</sup>	No	<b>0</b>
	Total		<b>2</b>
Organisations	Public	Yes	<b>4</b>
	Private	Yes	<b>4</b>
	Voluntary Sector	Yes	<b>4</b>
	Total		<b>12</b>
1b What types of support will you provide via your UK Community Renewal Fund project?			
Main Indicator	Indicator Subset	Proposed Support Type	Number
Direct support	1 to 1	Yes	<b>100(Archive users/visitors)</b>
	1 to many	Yes	<b>10</b>
Financial Support (£s)	Grant	No	<b>0</b>
	Voucher	No	<b>0</b>

<sup>1</sup> <https://www.legislation.gov.uk/ukpga/2006/46/section/382>

<sup>2</sup> <https://www.legislation.gov.uk/ukpga/2006/46/section/465>

<sup>3</sup> Any business that does not qualify as a small or medium business

1c What UK Community Renewal Fund Outcomes will the project deliver (see Technical Note for Project Applicants and Deliverers for details)?	
<b>Outcome</b>	<b>Total</b>
Jobs safeguarded as a result of support	<b>2 FTE</b>
Investment attracted as a result of support	<b>£1,200,000</b>
<b>Once the extension is built</b> Businesses introducing new products to the market as a result of support	Delivered as a result of the new cafe and shop
Employment increase in supported businesses as a result of support	Creation of up to 5 jobs
Number of new businesses created as a result of support	New cafe and shop
Increase in footfall and increase in visitor numbers as a result of support	Double visitor numbers from 6,000 to 12,000

<b>Annex B - Funding Package and Profile</b>			
	<b>Amount</b>		
(a) UK Community Renewal Fund Requested	£115,864		
(b) Other Public Funding	£0	In place	Yes/No/Partial
(c) Private Funding	£20,000	In place	Yes
(d) Total Project Costs (a+b+c)	£135,864		
Expenditure Profile. How much will be spent in:			
Jui - Sept 2021	£50,000		
Oct- Dec2021	£60,000		
Jan - Mar 2022	£25,864		
<b>Total</b>	£135,864	Must equal (d)	

How much of the budget will be spent on capital costs?	£12,000	8.83%	
If the project will deliver under more than one of the UK Community Renewal Fund's investment priorities, please estimate how much will be spent under each theme			
Investment in skills	%	Investment for local businesses	15%
Investment in communities and place	70%	Supporting people into employment	15%

## Annex C - Project Risks

### Project Risk Management

Please be as concise as possible.

Summarise:

- the key risks to the delivery and success of the project
- who is responsible for managing the risk, the Owner
- the probability of the risk occurring, is it high, medium or low?
- what would be the impact of the risk, high, medium or low?
- The mitigation plans in place to manage the risk occurring or to deal with the risk if it does occur

Risks Description	Owner	Probability (H,M,L)	Impact (H,M,L)	Mitigation
Not securing this funding	Russian Arctic Convoy Museum	Medium	High	Continue our quest to find alternative ways to fund the work needed
Another lockdown	Russian Arctic Convoy Museum	Low	High	It could put the delivery of the project outcomes at risk and affect our ability to trade.
Securing competent professional architects and consultants	Russian Arctic Convoy Museum	Low	Low	We have already taken quotes for Architectural services and project management.



UK Government

## UK Community Renewal Fund Application Form

This form is for project applicants, applying for funding from the UK Community Renewal Fund across the UK. **Annex D in this document includes General Guidance for Completing the Application Form.**

The UK Community Renewal Fund Prospectus, Assessment Criteria, a Technical Note for Project Applicants and Deliverers and Technical Note for Lead Authorities are available [here](#).

The level of information provided should be proportionate to the size and complexity of the project proposed.

### Applicant Information

**Applicant name:** The Highland Council

**Bid Manager Name and position:** Nicole Wallace, Head of Planning and Environment  
*Name and position of officer with day to day responsibility for delivering the project*

**Contact telephone number:** Click or tap here to enter text.

**Email address:** [REDACTED]

**Postal address:** The Highland Council Headquarters, Glenurquhart Road, Inverness, IV3 5NX

**Website:** The following are all of relevance for an understanding of the current provision:  
www.highland.gov.uk/info/1457/tourism\_and\_visitor\_attractions/51/long\_distance\_routes;  
www.highland.gov.uk/info/1225/countryside\_farming\_and\_wildlife/161/outdoor\_access/4;  
www.westhighlandway.org; www.greatglenway.com; www.walkhighlands.co.uk/speyside-way;  
www.walkhighlands.com; www.scotlandsgreattrails.com/aboutsgts/

**Company Registration Number (where relevant):** Click or tap here to enter text.

**Charity Registration Number (where relevant):** Click or tap here to enter text.

**Senior Responsible Officer contact details:** Nicole Wallace

**Please confirm the type of organisation:**

Local authority  
 Private sector

Voluntary sector  
 University

- FE College
- Other (please specify)

Click or tap here to enter text.

**Value being Requested (£):118000.00**

**The Bid – investment priority**

Please select which investment priority or priorities of the UK Community Renewal Fund are you applying under:

- Investment in skills
- Investment for local businesses
- Investment in communities and place
- Supporting people into employment

**Private and Voluntary Sector Applicants in Northern Ireland.** Please confirm you have attached a copy of the applicant's latest accounts.

Choose an item.



## Part 1 - Project Summary

1a Project Name

Great Trails in Highland Communities

For questions 1b-1f, please describe in 500 words or less per question. Please be as concise as possible.

1b What activities will take place?

### GREAT TRAILS IN HIGHLAND COMMUNITIES

The purpose of this project is to partner with rural communities and communities of interest throughout Highland:

- (1) To identify opportunities for the improvement of provision of long-distance paths where these are currently absent or in need of improvement;
- (2) To stimulate new and innovative provision of goods and services by and within communities to meet the needs of walkers and other path users;
- (3) To spread the economic benefits of tourism more widely throughout Highland for the benefit of locals, visitors and the environment.

A more detailed breakdown of activities is provided in Sections 1d, 1e and 2a.

The timeframe for delivery of projects within the UK CRF dictates the scope of this pilot project. The outcomes of the pilot will provide a detailed action plan for a subsequent major, multi-faceted, green infrastructure project to follow.

### BACKGROUND

48% of visitors to Highland undertake a long walk, hike or ramble. 59% undertake a short walk or stroll. Visit Scotland have identified Environmental Sustainability as a 'Mega Driver' for tourism to 2030.

Four Long Distance Routes (LDRs) have been established in Scotland under the Countryside (Scotland) Act 1967. In each case they are managed and maintained by the relevant Local Authority. Until 2008 funding for staff and maintenance was provided by SNH, after which monies were transferred into the GAE settlement from Scottish Government.

The Highland Council is responsible for the Great Glen Way (117km); just under half (77 km) of the West Highland Way; and an 8 km section of the Speyside Way.

The statutory LDRs form part of the 'Scotland's Great Trails' network. This network also includes a number of additional routes established by Local Authorities, charitable trusts, community groups and others. Of the 29 SGTs only two (GGW and Great Glen Canoe Trail) are wholly located in Highland – an anomaly considering the large land area and outstanding landscapes within Highland.

To qualify as one of Scotland's Great Trails, the route must meet the following criteria, as defined by NatureScot, which 'owns' the SGT brand:

- Be clearly way marked;
- Run largely off road;
- Have a range of visitor services;
- Range in length from 24-210 miles (40-340 km);
- Can be tackled as several short breaks, day trips or as an end-to-end expedition;
- May have sections suitable for cyclists and horse riders.

The positive economic impact of LDRs is illustrated by the following data collected from user surveys over a number of years on the GW and WHW. Note the impact of Covid lockdowns in 2020.

#### Great Glen Way

Year	Average spend PP	Estimated value to Highland Economy
2017	£219	£1.38 million
2018	£233	£1.48 million
2019	£235	£1.49 million
2020	£229	£0.33 million

#### West Highland Way (only part lies within Highland)

Year	Average spend PP	Estimated total value	Estimated value To Highland Economy
2017	£219	£7.3 million	£3.12 million
2018	£209	£9.85 million	£4.22 million
2019	£231	£9.2 million	£4.60 million
2020	£231	£3.67 million	£1.22 million

Similar data has not been collected on non-statutory routes but, whilst visitor numbers may be lower, the daily spend is likely to be similar, so illustrating the potential for economic growth in other areas through an increase in visitor numbers.

#### 1c Who will deliver the activities?

The Highland Council (THC) will be the lead organization, with overall responsibility for delivery of the Great Trails in Highland Communities Project (GTIHC). Existing THC governance procedures will be applicable to the project, so ensuring a high level of transparency, accountability and scrutiny.

The Highland Council already operates both LDR and Access Teams led by an Access and LDR Manager. Both teams are fully subscribed in terms of workload and budget and cannot absorb additional workload. Therefore, the Great Trails in Highland Communities Project will require funding for additional staff resources. The A&LDR Manager will supervise delivery of the project.

The Highland Council has a long and successful track record working with partners in the delivery of LDR and access projects, most relevant, but not limited to, Forest & Land Scotland and Scottish Canals in connection with the West Highland and Great Glen Ways. In addition,

a wealth of experience in undertaking negotiation and collaboration with landowners.

In delivery of the project, collaborative working will be essential and partnerships will be developed on a case-by-case basis in collaboration with existing and nascent organisations, communities and businesses. It is expected that such collaboration will draw in considerable social capital and represent a substantial voluntary contribution to project delivery.

There is considerable variation in the extent and structure of existing route management. For example, the West Highland Way has a well-established Management Group collaborating across local authority boundaries.

A small number of routes have received funding to create or construct sections of path, waymark and to promote. However, these routes have yet to meet the Scotland's Great Trails criteria but with more investment and continued management and maintenance could do so. These are:

- The Affric-Kintail Way
- South Loch Ness Trail
- John O' Groats Trail
- Inverness to Nairn Coastal Trail

Several trails are promoted on websites or have guidebooks but have had no construction, path infrastructure, waymarking or consultation with landowners. Such routes located entirely within Highland are:

- Cape Wrath Trail
- The Skye Trail
- The Sutherland Trail
- East Highland Way
- North Highland Way
- A Way to the Isles

The UK CRF timeframe has not enabled these partnerships to be explored in advance of application.

1d How will the activities be delivered?

#### STAFF RESOURCES

THC will recruit three additional full-time, fixed-term staff members to the Access & LDR Team

- ONE Great Trails in Highland Communities PROJECT OFFICER
- TWO Long Distance Route DEVELOPMENT OFFICERS

These appointments are expected to run September 2021 to March 2022 inclusive. The officers will work as a team dedicated exclusively to this project. The skill sets and responsibilities will differ between the Project Officer and Development Officers, but collectively the team's remit will be to undertake the following activities:

- To initiate and maintain a suitable project management process within existing Highland

Council protocols including all appropriate and required record keeping, financial administration, reporting, monitoring and evaluation;

- To initiate and implement suitable publicity to generate and maintain awareness of and interest in the project;
- To identify communities and communities of interest relevant to existing and potential long-distance paths and to invite, encourage and support these to participate;
- Through consultation to identify opportunities / constraints for development and improvement of existing and new path infrastructure (paths, footbridges, waymarking, rest stops, viewpoints etc);
- To invite and encourage individuals and businesses within these communities to bring forward proposals, in the form of feasibility studies, for other activities / initiatives / enterprises which could contribute to the purpose of the project in its broadest sense;
- To provide direct support to enable individuals, communities and businesses to develop ideas express innovation and to progress their visions into plans;
- To undertake detailed surveys of existing and potential routes to provide a baseline of current condition and to specify works that would be required for the paths to be developed to Scotland's Great Trails standards in the future;
- to seek opportunities to complement other initiatives of relevance to the objectives of the project, such as National Cycle Networks;
- To undertake discussions with relevant landowners to establish positive working relationships and identify opportunities / constraints;
- To set up and monitor people counters and undertake visitor survey days at suitable locations for the collection of baseline data against which future change can be evaluated;
- To participate in the evaluation of the project outcomes during and on completion in accordance with the Project Evaluation Plan;
- To prepare a detailed Whole-Project Options Appraisal and Feasibility Study and Action Plan which will inform and a future development project/s.

PARTNERSHIP WORKING has already been described in Section 1c.  
GOVERNANCE has already been described in Section 1c.

#### 1e Who will be the beneficiaries of the project?

It is estimated that around NINETY COMMUNITIES in proximity to over 1750 km of paths will be invited to participate and to submit community-based feasibility studies. Activities will also be responsive to new LDR proposals in additional geographical areas within Highland, so potentially benefiting even more communities.

Over 32% of the population in Highland lives within settlements of less than 500 people; nearly 36% in settlements of less than 1000 people and with up to 21% population reduction forecast by 2041 in remote areas. This project is a major undertaking with great potential, not only for place-based planning, but for linking rural and /or coastal communities (many of which are rural, coastal and fragile) in knowledge sharing and cooperation; and stimulating and supporting community-based project development.

Beneficiaries will not be limited to any particular sector/s or cohort/s within communities specifically in order to promote and enable innovation.

The project has great potential to attract feasibility studies from any or all of the following sectors within these communities:

- Individuals;
- Organisations;
- Businesses;
- Schools;
- Voluntary;
- Private;
- Public.

Proposals brought forward might relate to:

- Food & drink;
- Transport & energy efficiency;
- Culture & cultural heritage;
- Accommodation & comfort schemes;
- Training;
- Promotion and marketing;
- Activities & experiences;
- Independent mobility & accessibility options;
- Community exercise programmes;
- Information & interpretation;
- Alternatives to walking – cycling, horse-riding, wheeling;
- Linkages between LDRs and community path networks.

These lists are in no way intended to be prescriptive or limiting, but are intended to illustrate the breadth of opportunities and initiatives that can potentially be stimulated and supported through development of LDR networks. Activities will be adapted to suit a route by route approach, not a 'one size fits all'.

Other beneficiaries will be visitors to these communities, be they relatively local, from elsewhere within Scotland, or tourists from further afield. The project will support the delivery of not only a quality visitor experience, but a varied one, rooted in what each different community has to offer; truly place-based approach, linked by sustainable and green infrastructure within a world class natural environment.

1f Where will the activities take place?

Activities will take place, throughout Highland, based upon the distribution of both existing and potential opportunities. The geographical emphasis of activities will evolve depending upon the degree of community interest and a practical, time-conscious, approach to any major constraints that become apparent.

The following locations will provide the framework within which activities will commence:

- (1) Communities between Drumnadrochit and Morvich - 71 km Affric-Kintail Way;
- (2) Communities between Fort William and Cape Wrath - 378 km Cape Wrath Trail;

- (3) Communities around Loch Ness - 126 km South Loch Ness Trail / Loch Ness 360;
- (4) Communities between Inverness and John O’Groats - 235 km John O’Groats Trail;
- (5) Communities between Fort William and Aviemore - 128 km East Highland Way;
- (6) Communities between Rubha Hunish and Broadford – 128 km Skye Trail;
- (7) Communities between Duncansby Head and Cape Wrath – 241 km North Highland Trail;
- (8) Communities between Lochinver and Tongue – 111 km Sutherland Trail;
- (9) Communities between Portmahomack and Ullapool – potentially around 120 km;
- (10) Communities between Inverness and Nairn and beyond – potentially around 50 km.
- (11) Communities between Glen Coe and Fort William – 77 km of West Highland Way;
- (12) Communities between Fort William and Inverness – 117 km Great Glen Way;
- (13) Communities between Fort William and Mallaig – 70 km A Way to the Isles.

It is noted that there is some overlap between:

- West Highland Way & Cape Wrath Trail;
- Great Glen Way & Cape Wrath Trail;
- Great Glen Way & Loch Ness 360.

Communications will be a mixture of face-to-face; telephone; digital. It is anticipated that premises for any necessary meetings will be provided free of charge by either Highland Council or other stakeholders.

In the event that any of the routes is independently successful in funding, through UK CRF, any of the activities included within this project, that situation will influence the extent of involvement in this project in order to avoid double funding.

1g When will the project start?	01/08/2021	When will the project end?	31/03/2022
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1h Which places (district or unitary areas) will benefit from the activity?

Local Authority Area	Approximate percentage of activity / expenditure
The Highland Council	100%
Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap here to enter text.

1i What are the key milestones for the development and implementation of the project?

Milestone	Target Month
Appointment of Project & Development Officers; commencement of project planning and promotion.	Aug 2021
Completion of Survey & Engagement; deadline for submission of Community Feasibility Studies.	Jan 2022

Completion of Options Appraisal, Whole-Project Feasibility Study; Action Plan and in-house Evaluation.	Mar 2022
Completion of External Project Evaluation (THC Funded)	Mar 2022

**Part 2 – Project Impact**

For questions 2a-2d, please describe in 500 words or less per question. Please be as concise as possible.

2a What will be the short and long term benefits of the project on its beneficiaries and the wider community?

**HIGH LEVEL OBJECTIVE ONE**  
 To identify opportunities for the improvement of provision of long-distance paths where these are currently absent or in need of improvement.  
**SMART OBJECTIVES**

- A concise LDR RECORD of path condition and improvements required; opportunities and constraints for further development; costings for development.
- Paths ranked for priority within a **WHOLE PROJECT OPTIONS APPRAISAL & FEASIBILITY STUDY**. Ranking includes consideration of achievability & timeframe; community, business, tourism and other stakeholder aspirations.
- Based upon the above, an **LDR ACTION PLAN** to provide recommended next steps and the basis for further funding applications for delivery. Action Plan to include provision for ongoing monitoring in support of Objective Three below.
- These are achieved by March 31st 2021.

**HIGH LEVEL OBJECTIVE TWO**  
 To stimulate new and innovative provision of goods and services by and within communities to meet the needs of walkers and other path users.  
**SMART OBJECTIVES**

- Around 90 **COMMUNITIES** plus communities of interest invited, encouraged and supported in proposals for a wide range of LDR related initiatives. By January 2022.
- At least 34 **COMMUNITY-BASED FEASIBILITY STUDIES** are received. By January 2022.
- Community-based feasibility studies include examples of new and innovative approaches. By January 2022.
- Community, business and other stakeholder aspirations are appropriately incorporated in the LDR Record, Whole-Project Options Appraisal, Feasibility Study and LDR Action Plan. By March 2021.

### HIGH LEVEL OBJECTIVE THREE

To spread the economic benefits of tourism more widely throughout Highland for the benefit of locals, visitors and the environment.

#### SMART OBJECTIVES

- Baseline data collected where this is not already available (as on the WHW & GGW);
- 20 PEOPLE COUNTERS installed by February 2022;
- At least two days of on-site, face-to-face VISITOR SURVEY undertaken on each route by October 2021.

#### OUTCOMES AND IMPACTS

SHORT-TERM: Impacts are very low on both beneficiaries and wider community. Positive impact of sense community empowerment; negative impact of time required in consultation.

LONG-TERM: Impacts will be dependent upon funding to deliver the actions identified within this pilot. The aim is for a major follow-on project after this pilot to benefit all people subsets through additional jobs and increased economic activity. Small businesses are likely to benefit if their aspirations and innovations, as per their community-based feasibility studies, can be realised as part of a larger project.

If successful, the primary POSITIVE IMPACTS will be:

- sense of community empowerment with tangible delivery of community aspirations;
- economic growth, including employment opportunities – local and wider;
- health and wellbeing – local and wider;
- mitigation of environmental impacts at wider hot spots;
- improved visitor experience – local and wider.
- reduced negative impacts of visitors on communities, complimenting local and wider initiatives for mitigation of conflict and over-use.

NEGATIVE IMPACTS may be:

- community fatigue – actions delivered by few individuals;
- unrealistic community expectations leading to disappointment – lack of understanding of the options appraisal process;

2b How does the proposal align with local needs and long-term strategic plans for local growth?

Through the contribution this project can make to local economic development, place-based community planning / empowerment and improved visitor / tourism products, it aligns very strongly with multiple elements of national, regional and local strategic plans.

SCOTTISH GOVERNMENT  
NATIONAL WALKING STRATEGY (2014)



This document acknowledges the economic, health, transport and climate change benefits of walking. This project can contribute strongly to all three of the Strategic Aims set out by the Scottish Government. Other points of note here are:

- The Scottish Government's aim to empower communities to develop community-based approaches to walking development;
- Recognition of multiple cross-policy links associated with walking;
- Recognition of the need for a detailed assessment of the resource for walking.

#### VISIT SCOTLAND VISITOR MANAGEMENT STRATEGIC FRAMEWORK

Of note here are Visit Scotland's endorsements of:

- A place-based approach respecting communities;
- Sustainable visitor infrastructure;
- Integrated transport solutions;
- Support for communities 'to develop local skills and capacity to develop local approaches to visitor management.

#### HIGHLAND COUNCIL CORPORATE PLAN 2017-2022 (UPDATED 2019)

- Invigorate local democracy / communities at the heart .
- Drive economic growth / champion innovation / meet infrastructure needs of businesses / citizens / visitors.
- Minimizing carbon footprint.
- Protect and enhance natural resources, culture and heritage.
- Support economic growth.
- Work with Partners to grow the Highland tourism offer and invest in infrastructure.
- Meaningful engagement with communities.

#### HIGHLAND COUNCIL HIGHLAND INDICATIVE REGIONAL SPATIAL STRATEGY TO 2050 (Sept 2020)

This document provides a vision for Highland for the next thirty years within the context of the NATIONAL PLANNING FRAMEWORK 4

Candidate National Developments (cND) are considered critical to Highland as a delivery mechanism for addressing the wider regional priorities and irrespective of their long term national status the Council will work in partnership to deliver on 'each and every cND' at a

regional level.

CND06 LONG DISTANCE CYCLING AND WALKING NETWORK  
CND12 SUSTAINABLE TOURISM INFRASTRUCTURE PLAN

These two Strategic Development Priorities are of direct relevance to this project and are specifically recognised as relevant to:

- Climate Change and reducing emissions;
- Infrastructure;
- People & communities
- Increasing population of rural areas;
- Fair work and business;
- Health and wellbeing;
- Improving equality;
- Culture & Place;
- Economy;
- Environment and biodiversity;
- International.

HIGHLAND COUNCIL  
VISITOR MANAGEMENT PLAN 2021 (March 2021)

This document provides substantial evidence of the need for visitor management in Highland to which the GTIHC project will make a major contribution.

‘Sustainable tourism is one of Scotland’s key growth sectors, identified in the Scottish Government’s Economic Strategy; and is the Highlands’ most important industry generating significant economic benefits for all areas of Highland. Prior to the Covid-19 pandemic tourism had seen a number of years of consistent growth so that by 2019 Highland’s 7.5m visitors generated:

- £1.13 billion of direct spend by those visiting the area;
- a further £265 million of indirect expenditure by the tourism industry purchasing local goods and services;
- over 25,000 jobs (including the self-employed).

UNESCO guidance stresses that managing visitor movements and influencing visitor behaviour are critical aspects of developing sustainable tourism; minimising negative effects on the host community and maximising opportunities for them to benefit.’

2c How does the project support the Government's Net Zero ambitions or wider environmental considerations? (This is not a requirement for employment support proposals)

## REDUCING CARBON EMISSIONS

In May 2019, The Highland Council recommitted to achieving a carbon neutral region by 2025, so contributing to the UK Government's Net Zero undertakings. The GTIHC Project can contribute to this goal in the following ways:

- Promotion of attractive staycation activities will contribute to a reduction in air travel;
- Walking, cycling and wheeling are all low carbon activities;
- Users of long-distance routes often use public or other shared transport options to/from their start/finish points. New shared/collaborative transport provision may be stimulated;
- The project will contribute to the provision of low and no carbon infrastructure;
- The project may stimulate interest in and provision of low or no carbon activities such as community-based E-bikes;
- Communities will be required to address Net Zero considerations and to meet clean growth principles within their feasibility studies.

## WIDER ENVIRONMENTAL CONSIDERATIONS

By spreading the opportunities for quality tourism over a wider geography in Highland and promoting lesser known areas, this project can mitigate environmental pressures elsewhere, so enhancing the sustainability of tourism in Highland.

The natural environment is one of Highland's prime resources; with tourism one of its prime economic activities. Increased tourism is to be welcomed from an economic perspective, but can impact upon the very features that make the area special, for example through disturbance of protected species, damage through over-use of fragile paths or wild camping with indiscriminate littering and toileting. These problems existed prior to the Covid pandemic, but reached a critical level in 2020 when international travel restrictions caused a large increase in the numbers of people holidaying in the UK. Visitor numbers in Highland boomed and tourist 'hot spots' were over used with significant negative impacts on communities.

Highland Council has already invested in mitigating problems with support from the Rural Tourism Infrastructure Fund and a financial package of £1.395 million approved in March

2021 for the delivery of services to specifically mitigate the impacts of high visitor on both the environment and on communities within.

2d How does the project demonstrate innovation in service delivery?

### NEW DELIVERY APPROACH

The project will seek to stimulate individual, community and business interest in the opportunities arising from LDRs: both in the provision of goods and services required by LDR users, and in utilization of these routes for community health and wellbeing. In order to harness such interest and community innovation the project will invite, encourage and support all elements within communities, as described in Section 1e, to contribute community-based feasibility studies to the project for amalgamation into the whole-project study. This is an innovative approach to community decision making which will directly inform future activities relating to development of the LDR network.

Whilst it is clear that the UK Strategic Prosperity Fund may differ in detail and substance from the UKCRF, this project is innovative in building capacity within the Council and the community to participate in and benefit from a much larger Phase 2 GTIHC Project within which suitable business proposals, requiring a longer timescale than UKCRF permits, can be developed and delivered.

This project will ensure that both Highland Council and communities have the capacity to submit structured and well-developed proposals in response to both the UKSPF and other funding streams, as appropriate, following completion of this pilot project. It is a valuable opportunity and an innovative approach in preparation for the future.

### INTEGRATED APPROACHES ACROSS POLICY THEMES

As recognised in both the Scottish Government's National Walking Strategy and the Highland Indicative Regional Spatial Strategy, walking connects a range of policy areas and this project will integrate the following policy themes: health and wellbeing, sustainable transport, road safety, land use, environment, tourism, economic development, disability and equality, climate change, sport, community planning and volunteering.

### COLLABORATION ACROSS AREAS

The very nature of LDRs is to cross geographical boundaries and this is an innovative mechanism to stimulate cross-community collaboration and dialogue. Community-based feasibility studies will be required to consider collaboration across areas in order to stimulate joined up proposals.

## TESTING EXISTING APPROACHES WITH DIFFERENT TYPES OF BENEFICIARIES

The project is innovative in directly involving potential beneficiaries of all types in the process of determining future developments and the extent to which they choose to benefit from such development. As described in Section 1e, it is an initiative which moves away from a prescriptive and limited one-sector approach, to an open-minded approach which will provide the opportunity for all community sectors to influence outcomes. This progressive approach would appear to fit well with the stated intentions of the UK Community Renewal Fund.

2e Which groups will your UK Community Renewal Fund project target?

*Please describe below and complete Annex A – Project Impact Indicators*

### PEOPLE

The project will invite and encourage engagement from all sectors within the relevant communities, so targeting all subsets: economically inactive, unemployed and employed.

### BUSINESSES

Due to the relatively small size of communities within the rural and coastal population of Highland, it is expected that the businesses targeted will be small businesses. However, the project will be open to other business subsets should they seek to participate in the submission of feasibility studies.

### ORGANISATIONS

The project will invite and encourage engagement from public, private and voluntary sector organisations, as relevant to the particular communities of interest in the relevant geographic areas.

### DIRECT SUPPORT

The project will provide one-to-one support, as required / requested by participants, in preparation of community-based feasibility studies. It is estimated that 1 to 1 support will be provided to at least 34 organisations.

It will provide one-to-many support, as required / requested by communities and such support will be responsive to community needs and level of engagement on a case-by-case basis.

### FINANCIAL SUPPORT

Not applicable to this project.

It is the nature of the project that numbers cannot be assessed in advance. For all the above indicators, feasibility studies will provide further analysis of numbers and subsets.

2f Please describe how you have considered the equalities impacts of your proposal, the relevant affected groups based on protected characteristics, and any measures you propose in response to these impacts.

An Equalities Impact Assessment will be undertaken by the Project Officer at project initiation. Community feasibility studies will be required to consider impacts on groups with protected characteristics and to innovate for the benefit of these groups. The Whole-project Options Appraisal and Feasibility Study will include an EIA for long term proposals.

2g What UK Community Renewal Fund Outcomes will the project deliver?

*Please describe below and complete Annex A – Project Impact Indicators*

#### PRIMARY OUTCOMES

- Organisations engaged in knowledge transfer activity following support.

This will include small businesses, community-based organisations, and communities of interest, such as management groups and to include looser associations of stakeholders.

- Feasibility studies developed as a result of support.

This will include community-based feasibility studies submitted by individuals, businesses, communities, communities of interest and public, private and voluntary sectors. It will also include the Whole Project Feasibility Study.

- Increase in visitor numbers as a result of support.

The project will establish a baseline for future monitoring and evaluation and a mechanism for post-project monitoring of people counters installed by the project.

#### SECONDARY OUTCOMES

These outcomes, in addition to continuance of primary outcomes, relate to future implementation of the GTIHC Action Plan:

- Total surface area of green infrastructure added or improved as a result of support.
- Businesses introducing new products to the market as a result of support.
- Businesses introducing new products to the firm as a result of support.

2h How have the outcomes been estimated?

At this stage it is impossible to provide exact numbers, but these will be determined by feasibility study.

Map based analysis has identified approximately 90 communities on or in proximity to the LDRs listed in Section 1f, within which one to many support is included.

It has been assumed that knowledge transfer will take place between all parties submitting community-based feasibility studies, which will include some communities of interest, plus such communities that have not submitted, but will have an interest for future purposes. The figure of 40 is an estimate.

It has been assumed that, overall, the project will elicit at least 34 community-based feasibility studies, which will form part of the whole project study, so giving 35. The whole project study will also include geographically dispersed options thought or be of merit by the lead organisation; and options flagged up by parties not wishing to submit studies on their own behalf. In effect, the Whole Project Feasibility Study brings together the pieces of the jigsaw.

2i Would you expect to achieve any of these outcomes without UK Community Renewal Fund support?

The Highland Council (nor any other body to the best of our knowledge), would NOT be able to deliver a project of this scale project without UKCRF support. Neither staff nor financial resources are available.

### Part 3 - Funding Package

3a How much UK Community Renewal Fund investment is sought?

*Please also complete Annex B – Funding Package and Profile*

£118000.00 One hundred and eighteen thousand pounds.

3b Does the funding package include any match funding? If so, how much?

When will any funding that is not in place be secured?

Highland Council will contribute match funding of £3500.00 to cover managerial costs and project evaluation. This funding is secured.

3c What will the funding package be spent on?

STAFF COSTS (including 15% overheads)	
1 x GTIHC Project Officer (7 months HC09 38500)	£23100.00
2 x GTIHC Development Officers (7 months HC07 30000)	£36000.00
1 x Access & LDR Manager (0.25% 6 days over 7 months HC010 43400)	£1000.00
Staff Travel Costs - 3 vans for 6 months	£15900.00

TOTAL STAFF COSTS	£76000.00
PROMOTION AND PUBLICITY	£1000.00
PROJECT EVALUATION	£2500.00
EQUIPMENT – People Counters x 20, PPE, survey etc	£42000.00
<b>TOTAL GTIHC PROJECT COSTS</b>	<b>£121500.00</b>

3d How has the overall budget been estimated, what has been done to test that it is accurate, how would any unexpected costs be managed?

The budget has been drawn up by a team of individuals with direct experience of delivering similar activities. Costs have been peer reviewed for accuracy. Project delivery using established project management procedures will ensure appropriate management and governance of unexpected costs by the client.

#### **Part 4 – Project Applicant Experience and Capacity**

Please limit your responses to each question to 250 words or less. Please be as concise as possible.

4a What experience does the organisation have of delivering this type of activity?

As a major local authority, Highland Council has considerable experience in delivery of a wide range project types and has been building expertise in community-based decision making for some years. As can be expected of an established local authority, appropriate reporting and governance procedures are well established within the organisation.

Highland Council has an established and successful track record in the delivery of access, environment, tourism and community projects.

Experience of specific relevance to this project lies within the Access and Long Distance Routes Team, within the Infrastructure and Environment Service, as also described in Section 1c. Individuals within the team have extensive experience of LDR management and maintenance; community liaison; landowner liaison; access issues and project management. Staff recruited for the GTIHC project will work within this team and so have access to a substantial knowledge base amongst their colleagues and appropriate support from their peers.



4b Describe the resources (e.g. staff) the organisation has available now to deliver the project?

Existing staff are described below but, as stated in Section 2i, this resource is already fully committed to current duties. Their contribution would be in knowledge sharing and support of staff recruited specifically for the delivery of the project.

The Council's Access and LDR Team sits within the Environment Team and is managed by the Access and Long Distance Routes Manager(1FTE) who oversees partnership liaison, route development, strategy and budget.

The LDRs are staffed by:

- 1 FTE Senior LDR officer
- 2.6 FTE LDR Officers
- 0.6 FTE LDR Officer
- 2 FTE LDR Maintenance Wardens

The LDR team is split over two premises:

- Glen Nevis Visitor Centre, Fort William
- Forestry Buildings, Fort Augustus

The Access Team is staffed by 3 FTE Access Officers.

4c If the organisation will have to recruit staff or appoint contractors what plans are in place to manage the risk of delay?

#### STAFF

A recruitment plan will be prepared and approval to recruit secured prior to July 31st to facilitate recruitment by August 31st. The short timescale involved is fully acknowledged, but Highland Council has well established recruitment procedures.

#### CONTRACTORS

The appointment of contractors for the supply of publicity and promotional material will be through existing contracts. Consultant as External Evaluator to be procured through standard THC processes during September 2021.

4d Describe the systems and processes that will be used to ensure only costs directly related to the project will be included in grant claims.

Highland Council has rigorous and well established financial accounting and reporting procedures. The GTIHC Project will be set up as a distinct cost centre with ring-fenced budget. All expenditure to be charged against the cost head will be authorised through established management procedures. Highland Council has a demonstrable track record in accountability to external funding partners.

## Part 5 – Project Risk Management

Please limit your responses to each question to 250 words or less. Please be as concise as possible.

#### 5a Summarise the key risks to the project in Annex C – Project Risks

Due to the tight timeframe for delivery of projects within the UK CRF, factors that might cause delays are one of the major risks:

- delay in recruitment of project staff;
- delay due to staff illness;
- delay due to adverse weather conditions;
- delay in procurement;
- delay in notification of funding from the UK Government.

Another risk is lack of community engagement or interest in the LDRs and / or in the opportunity to submit feasibility studies.

Lack of landowner cooperation is a risk when coordinating any activity across multiple land ownerships. It can become an insurmountable obstacle, or one that would be costly to mitigate through legal mechanisms. For the purpose of this pilot, it will be a very important part of the process to establish a knowledge base of where such obstacles might exist. There is no risk of actual delay as a result of lack of landowner cooperation during the pilot, but it will not make sense to focus on a situation or location where a major obstacle to success in the long term exists. Establishing good working relationships with landowners will be vital in the pilot.

The above risks will be mitigated by:

- advance planning and preparation;
- appropriate work scheduling;
- appropriate focus on geographical areas showing greatest potential for success – i.e., project adaptability;
- appropriate support and guidance for staff;
- effective communications;
- quality and timing of promotional / publicity materials / methods;
- recruitment of staff with appropriate skill sets.

#### 5b Describe the process and that will be used to monitor risk.

The Access and LDR Manager, together with the wider recruitment team, will be responsible for recruitment of staff with skill sets appropriate to the needs of the project. This will be achieved through suitable job and person specifications, advertising and a rigorous interview process. The same manager will be responsible for ensuring staff are given a suitable induction to their posts and that they receive sufficient guidance and support from their peers and others in the organisation.

The Project Officer will be responsible for initiating and maintaining a bespoke Project Risk Register and reporting regularly regarding risk to the responsible manager. The same officer

will be responsible for the quality and efficacy of promotion and publicity materials.

All project staff will have responsibility for advance planning, preparation and work scheduling, with the Project Officer responsible for preparing, monitoring and guiding others regarding the project timetable. Similarly, all project staff will be responsible for communicating in a manner that is engaging and appropriate to circumstances; and one that maximises the engagement of beneficiaries and other stakeholders.

Responsibility for adapting project focus will sit with the Access and LDR Manager in liaison with the project team and other stakeholders. The team will meet regularly to review progress and agree focus based upon evolving knowledge of specifics.

## Part 6 – Evaluation

6a A key objective of the UK Community Renewal Fund is to try new ways of delivering activity to businesses and people. It is important that projects are robustly evaluated and that learning is shared with others.

Please limit your responses to around 500 words and describe

- how the project will be evaluated, in terms of how it was delivered and its impact on clients
- how the findings of the evaluation will be disseminated

### METHOD OF EVALUATION

The project will be evaluated both in-house within the Project Team and by an External Evaluator with suitable experience.

The Project Officer will be responsible for establishing a suitable evaluation process in accordance with best practice for project management. The format of this will be agreed with management.

The External Evaluator will, pre-commencement of the project, prepare an EVALUATION PLAN based upon:

- Project milestones;
- Appropriateness of initial design and funding application;
- Delivery and management;
- SMART objectives provided in Section 2a;
- Outcomes and Impacts provided in Section 2a;
- Value for money;
- Lessons learnt.

The format of the plan will be agreed with the client. Information will be collected during the project on progress at key milestones. On completion of the project the external evaluator will gather data from the Project Team, management and other stakeholders for completion of the final Evaluation Plan.

## USE AND DISSEMINATION OF EVALUATION

The Evaluation Plan will be made available via Highland Council's website and on the websites of other stakeholders, as appropriate. Its availability will be noted in any publicity relating to the project.

The Evaluation Plan will be provided to stakeholders and to established groups, such as the Scotland's Great Trails Working Group, the West Highland Way Working Group and the Speyside Way Working Group. The SGT group is a Scotland-wide group; the WHW & SW groups have representatives from multiple local authority areas; so that this form of information dissemination will be a very effective mechanism for sharing knowledge and lessons learnt. The GTIHC Project will therefore contribute to knowledge sharing over a geography beyond Highland.

Within Highland Council the Evaluation Plan will inform both management and project teams in relation to future funding applications and project delivery.

## Part 7 – Subsidy Control

All bids must also consider how they will deliver in line with subsidy control (or State Aid for aid in scope of the in Northern Ireland Protocol) as per UK Government guidance: <https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities>

7a Does any aspect of the project involve the provision of subsidies (or State Aid)?

No

7b If yes, briefly explain how the subsidies or state aid are compliant with the UK's subsidy control regime as set out in the guidance.

Not applicable

## Part 8 - Branding and Publicity

Guidance on the branding and publicity requirements for the UK Community Renewal Fund is set out in the Fund Technical Note for Project Deliverers.

8a Please confirm that you have read and will comply with all aspects of the Fund branding and publicity requirements.

Yes

## Data Protection

Please note that the Ministry for Housing Communities and Local Government (the Department) will be a Data Controller for all UK Community Renewal Fund-related Personal Data collected with this form and submitted to the Department, and the control and processing of Personal Data.

Mayoral Combined Authorities, the Greater London Authority, County Councils or Unitary Authorities, have been designated as a 'Lead Authority' in Great Britain for the UK Community Renewal Fund. Each Lead Authority has been invited to run a local bidding process and will be a Data Controller for all UK Community Renewal Fund related Personal Data collected with the relevant forms as part of this process, and the control and processing of Personal Data, where such applications are not submitted to the Department for consideration.

The Lead Authority (in Great Britain) and the Department will processes all data according to the provisions of the Data Protection Act 2018 and the UK General Data Protection Regulation 2018 (UK GDPR) all applicable laws and regulations relating to processing of Personal Data and privacy, including, where necessary, the guidance and codes of practice issued by the Information Commissioner and any other relevant data protection regulations (together "the Data Protection Legislation (as amended from time to time)").

As a Processor of UK Community Renewal Fund-related Personal Data your organisation and the Lead Authority (when acting in Great Britain) must ensure that such Personal Data is processed in a way which complies with the Data Protection Legislation (as amended from time to time).

By proceeding to complete and submit this form, you consent that the Lead Authority (in Great Britain) and its contractors where relevant, and the Department, and its contractors where relevant, may process the Personal Data that it collects from you, and use the information provided as part of the application to the Department for funding from the UK Community Renewal Fund, as well as in accordance with its privacy policies. For the purposes of assessing your bid the Department may need to share your Personal Data with other Government departments (such as the Department for Work and Pensions) and departments in the Devolved Administrations and by submitting this form you are agreeing to your Personal Data being used in this way.

Data Controller, Personal Data, Personal Data and Processor all have the meaning given to them in the Data Protection Legislation (as amended from time to time).

**You can find more information about how the Department deals with your data here:**

<https://www.gov.uk/government/publications/uk-community-renewal-fund-prospectus>

## Part 9 - Project Applicant Statement

I declare that I have the authority to represent the project applicant in making this application. I understand that acceptance of this application form by the Lead Authority (in Great Britain) or the Ministry for Housing Communities and Local Government (the Department) does not in any way signify that the project is eligible for funding under the UK Community Renewal Fund or that any such funding has been approved towards it.

On behalf of the project applicant and having carried out full and proper inquiry, I confirm to the Lead Authority (in Great Britain) and the Department that:

- the project applicant has the legal authority to carry out the project; and

- the information provided in this application is accurate.

I also confirm to the Lead Authority (in Great Britain) and the Department that:

I have informed all persons whose personal information I have provided of the details of the personal information I have provided to you and of the purposes for which this information will be used, and that I have the consent of the individuals concerned to pass this information to you for these purposes;

I consent to the Personal Data submitted with this form being shared as set out in this form and in accordance with the Lead Authority's Privacy Policies (in Great Britain) and the Department's Privacy Policies;

I shall inform the Lead Authority (for Great Britain projects) if, prior to any UK Community Renewal Funding being legally committed to the project applicant, I become aware of any further information which might reasonably be considered as material to the Lead Authority or the Department in deciding whether to fund the proposal;

For Northern Ireland projects, I shall inform the Department if, prior to any UK Community Renewal Funding being legally committed to the project applicant, I become aware of any further information which might reasonably be considered as material to the Department in deciding whether to fund the proposal;

Any match funding that has been set out in part 3 will be in place prior to any award of UK Community Renewal Funding; and

I am aware that if the information given in this application turns out to be false or misleading, the Lead Authority (where relevant) or Department may demand the repayment of funding and/or terminate a funding agreement pertaining to this proposal.

I confirm that I am aware that checks can be made to the relevant authorities to verify this declaration and any person who knowingly or recklessly makes any false statement for the purpose of obtaining grant funding or for the purpose of assisting any person to obtain grant funding may be prosecuted. A false or misleading statement will also mean that approval may be revoked and any grant may be withheld or recovered with interest.

I confirm that I understand that if the project applicant commences project activity, or enters in to any legally binding contracts or agreements, including the ordering or purchasing of any equipment or services before the formal approval of the project, any expenditure is incurred at the organisation's own risk and may render the project ineligible for support.

For and on behalf of the project applicant Name:	Malcolm Macleod		
Position	ECO Infrastructure & Environment	Date	<b>28/05/2021</b>

## Annex A – Project Impact Indicators

1a Which groups will your UK Community Renewal Fund project target?

Main Indicator	Indicator Subset	Target Group	Number
People	Economically Inactive	Yes	Feasibility study will determine
	Unemployed	Yes	Feasibility study will determine
	Employed	Yes	Feasibility study will determine
	Total		Feasibility study will determine
Businesses	Small <sup>1</sup>	Yes	Feasibility study will determine
	Medium <sup>2</sup>	No	Click or tap here to enter text.
	Large <sup>3</sup>	No	Click or tap here to enter text.
	Total		Feasibility study will determine
Organisations	Public	Yes	Feasibility study will determine
	Private	Yes	Feasibility study will determine
	Voluntary Sector	Yes	Feasibility study will determine
	Total		Feasibility study will determine

<sup>1</sup> <https://www.legislation.gov.uk/ukpga/2006/46/section/382>

<sup>2</sup> <https://www.legislation.gov.uk/ukpga/2006/46/section/465>

<sup>3</sup> Any business that does not qualify as a small or medium business

1b What types of support will you provide via your UK Community Renewal Fund project?

Main Indicator	Indicator Subset	Proposed Support Type	Number
Direct support	1 to 1	Yes	40
	1 to many	Yes	90
Financial Support (£s)	Grant	No	Click or tap here to enter text.
	Voucher	No	Click or tap here to enter text.

1c What UK Community Renewal Fund Outcomes will the project deliver (see Technical Note for Project Applicants and Deliverers for details)?

Outcome	Total
Organisations engaged in knowledge transfer activity following support	40
Feasibility studies developed as a result of support	35
Increase in visitor numbers as a result of support	The project will establish a baseline for future monitoring and evaluation

### Annex B – Funding Package and Profile

	Amount		
(a) UK Community Renewal Fund Requested	£	118000.00	
(b) Other Public Funding	£	In place	Yes
(c) Private Funding	£	In place	Choose an item.
(d) Total Project Costs (a+b+c)	£	121500.00	



Expenditure Profile. How much will be spent in:			
Jul – Sept 2021	£	£13464.00	
Oct – Dec 2021	£	£73518.00	
Jan – Mar 2022	£	£34518.00	
<b>Total</b>	£	Must equal (d) 121500.00	
How much of the budget will be spent on capital costs?	£	0%	
If the project will deliver under more than one of the UK Community Renewal Fund's investment priorities, please estimate how much will be spent under each theme			
Investment in skills	Click or tap here to enter text. %	Investment for local businesses	50%
Investment in communities and place	50%	Supporting people into employment	Click or tap here to enter text. %

## Annex C – Project Risks

### Project Risk Management

Please be as concise as possible.

Summarise:

- the key risks to the delivery and success of the project
- who is responsible for managing the risk, the Owner
- the probability of the risk occurring, is it high, medium or low?
- what would be the impact of the risk, high, medium or low?
- The mitigation plans in place to manage the risk occurring or to deal with the risk if it does occur

<b>Risks Description</b>	<b>Owner</b>	<b>Probability (H,M,L)</b>	<b>Impact (H,M,L)</b>	<b>Mitigation</b>
<b>Delay in recruitment of staff</b>	<b>A&amp;LDR Manager</b>	<b>L</b>	<b>H</b>	<b>A&amp;LDR Manager to prepare recruitment package and obtain necessary approvals to recruit in advance of known outcome of application to UK CRF. A&amp;LDR Manager and others to alert any known potential candidates of the possible opportunities and timeframe for recruitment.</b>
<b>Lack of community interest</b>	<b>GTIHC Project Officer</b>	<b>M</b>	<b>M</b>	<b>Project promotion and publicity to be an early priority for Project Officer. Tailor and adapt project over time to deliver activities primarily in areas where interest is evident as there are multiple options within the proposal. Recruit staff with appropriate skills for community working.</b>
<b>Staff illness delays</b>	<b>A&amp;LDR Manager</b>	<b>L</b>	<b>H</b>	<b>Recruitment of staff suited to the roles and responsibilities. Adapt project to focus on activities in areas with</b>

				<b>greatest potential for successful outcomes.</b>
<b>Weather delays winter months limit access for path surveys</b>	<b>GTIHC Project Officer</b>	<b>H</b>	<b>L</b>	<b>Appropriate scheduling of work to prioritise survey work by PDOs during summer and autumn months.</b>
<b>Lack of landowner engagement</b>	<b>GTIHC Project Officer</b>	<b>M</b>	<b>M</b>	<b>Will vary from place to place. Adapt project to focus on areas with greatest potential for success. Recruit staff with appropriate skills to bring landowners 'on board'.</b>
<b>Procurement delays</b>	<b>GTIHC Project Officer</b>	<b>L</b>	<b>L</b>	<b>Appropriate support to PO in utilisation of HC procurement processes, standing contracts etc. Robust contracts and effective communications with suppliers.</b>
<b>Delay in notification of success by UK Government beyond 31st July 2021</b>	<b>A&amp;LDR Manager</b>	<b>L</b>	<b>H</b>	<b>Robust application. Effective communication with SG.</b>
Click or tap here to enter text.	Click or tap here to enter text.	Choose an item.	Choose an item.	Click or tap here to enter text.

## Annex D – General Guidance for Completing the Application Form

The application must be completed and submitted in Word.

Provide describe the project as simply as possible. Do not use technical terms, explain any acronyms. If an assessor cannot understand the project it cannot be assessed against the selection criteria and the bid will be rejected.

Some sections of the form contain guidance on the number of words to be used. Additional information and text in excess of any limits will not be considered. If possible use fewer words. The assessment of bids will be based on the information provided in the Application Form only. **Do not attach appendices or include links to websites.**

The UK Government will not contact bidders to clarify any aspect of submitted bids.

### Part 1 - Project Summary

Full details of the investment priorities are set out in the Prospectus. Bids must demonstrate how they align with at least one of the priorities.

If the proposed project intends to deliver under more than one priority, provide an estimate of the percentage of funding that will be spent under each priority in Annex B – Funding Package and Profile.

**1 b – 1 f** Clearly explain what the project intends to do and how it will be done. Be as straightforward as possible. If it helps to use diagrams these can be inserted into the application. When reviewing your bid consider the following questions from the point of view of someone who knows nothing about the organisation or the project:

- is it clear what the project would do?
- is it clear who will deliver the activities, who is involved and their roles?
- is it clear how, when and where the project will be delivered (ie. will the project deliver one to one support, one to many events/activities, will it be delivered in a specific location, on business or personal premises)?
- is it clear which individuals and businesses will benefit from the project, is there a focus on certain groups of people or types of businesses?
- is it clear how the project activities reflect the investment priorities?

If the project will work with people or businesses, you can summarise the customer journey using a flow chart showing specific project activities. A logic model or theory of change may also help explain your proposal.

**1 h.** List the local authority areas that may benefit from the project. For projects working with people or businesses this should be based on the location of the intended beneficiaries. In Great Britain, the relevant local authority area is as set out in the [list of places](#).

A project may be delivered in a single area or cover several areas. A project may operate in all parts of a local authority area or focus on particular locations.

**1 i.** These key milestones must link to the proposed activities and demonstrate that the project is deliverable by 31 March. Do not include milestones relating to the approval of the bid. Consider:

- securing internal approvals for the project or any other funding
- establishing the project team
- procurement for external services/suppliers
- project launch and recruiting beneficiaries
- key points on the beneficiary journey

Projects will be monitored against these milestones.

## **Part 2 - Project Impact**

**2 a.** Consider the impact on the beneficiaries and what the organisations involved in delivering the project hope to learn from it. Summarise the objectives of the project. These should be specific, measurable, achievable and time constrained. Set out how the project responds to any market failure or delivery inefficiency.

In part 5 explain how performance against these objectives will be evaluated.

**2 b.** Describe how the project activities and expected impacts contributes to local priorities set out in local plans. When lead authorities invite bids, they will identify the key local growth priorities they have chosen to focus on.

**2 c.** This section is not a requirement for bids submitted entirely under the 'supporting employment' investment priority. Projects under the employment investment priority will not be disadvantaged during the assessment and prioritisation of bids because this criterion does not apply.

Explain how the project would contribute to the UK Government's Net Zero or wider environmental considerations. Projects should be based on low or zero carbon best practice, adopt and support innovative clean tech where possible and support the growing skills and supply chains in support of Net Zero where possible.

As a minimum projects should meet the clean growth principle and must not conflict with the UK's legal commitment to cut greenhouse gas emissions to net zero by 2050.

**2 d.** Describe how the project demonstrates innovation in service delivery for example:

- introducing new delivery approaches
- new integrated approaches across policy themes or
- collaboration across areas
- testing existing approaches with different types of beneficiaries
- new ways of using digital technology to support beneficiaries

Trying new ways of working is riskier and in some cases can be more expensive than established ways of working. This will be taken in account during the assessment and prioritisation of bids and during the monitoring of successful projects.

**2 e.** Complete Annex A of the application – Project Impact Indicators.

Provide any further information on the groups or sub-groups of people or businesses the project would work with. Describe how the number in each group has been estimated.

**2 f.** The UK Government is required to consider equalities impacts in line with the Equality Act 2010. This questions helps us understand how equality considerations have shaped the design of the project and the extent to which [groups with protected characteristics](#) have been considered and any mitigations proposed. It does not form part of the assessment process.

**2 g/h.** Complete Annex A of the application. Provide any further information on project outcomes and explain how the figures have been estimated. For example, explain the relationships between the number of intended final beneficiaries and the outcomes you intend to achieve?

Projects will be required to report on the number and type of beneficiaries supported and the outcomes achieved.

**2 i.** Describe what would happen if the bid to the UK Community Renewal Fund is unsuccessful. Would the project proceed on a smaller scale, would the activities be undertaken in a different way or at a later date, or would none of the activities occur?

### **Part 3 - Funding Package**

**3 b.** Match funding is any funding other than funding from the UK Community Renewal Fund that will be used to meet project costs. This includes from the project applicant or other organisations

including income from beneficiaries. Please set out who match funding will come from, where relevant.

If the project relies on match funding and it is not secured, explain when it is expected to be secured and what the impact would be if it is not secured.

**3 c.** Summarise the amount that will be spent under the main areas of expenditure. The breakdown must be detailed enough to demonstrate that the funding package and budget is appropriate to the proposed activities and sufficient to deliver the project.

Examples of the types of headings to use are:

- staff costs - salaries and contractual benefits, National Insurance and superannuation contributions
- overheads, at 15% of staff costs
- business travel, subsistence and accommodation
- fees of contractors and consultants
- costs of materials or venue hire
- marketing and publicity costs
- grants provided to end beneficiaries
- training participant costs e.g. allowances, travel expenses
- dependent care costs of training participants
- small items of equipment
- evaluation
- external audit cost (Northern Ireland)

VAT that cannot be recovered from HMRC as part of the VAT system is eligible for support. Estimate the amount of irrecoverable VAT the project would incur in section 3 c.

**3 d.** Describe how the figures provided in section 3 c were estimated. For example

- staff costs of X posts at salaries of £Y pro-rata for Z months of activity
- grants of between £X and £Y at an average of £Z per grant multiplied by the number of expected beneficiaries
- materials at a cost of £X per beneficiary multiplied by the number of expected beneficiaries

Explain what has been done to test the budget is accurate and how any unexpected costs or cost increases would be managed.

## **Part 4 – Project Applicant Experience and Capacity**

**4 a - c.** The deliverability of projects is significant element of the criteria that will be used to assess bids to the UK Community Renewal Fund. It is important that we can have confidence that organisations that are offered funding are able to implement their projects quickly and effectively.

As the UK Community Renewal Fund is seeking innovation and new ways of working it is not essential that applicant organisations have a track record in delivering similar projects. It is however essential that organisations can draw on relevant experience and are able to demonstrate they have or will have access to the resources and expertise they need to deliver the project.

If the project will recruit staff or appoint contractors, this should be included in the project milestones. Describe the contingency plans that are in place to manage the risk if there are delays.

**4 d.** Project costs must be based on the actual expenditure incurred in delivering the project, evidenced through invoices or other transactions. Describe the process and controls the organisation would use to ensure only costs related to the project are included in grant claims.

Describe how the project will manage the risk of the project being defrauded by beneficiaries, contractors or members of staff. If the project involves grants, describe how fraud risk will be managed at key stages of the grant process. UK Community Renewal Fund projects may be selected for audit visits by the lead authority (GB) or the UK Government (GB & NI).

## **Part 5 – Project Risk Management**

Complete Annex C. This should provide a clear summary of the key risks to delivering the project activity and achieving the project's objectives.

**5 b** Describe how the risk identified in Annex C will be monitored, what systems will be used, who is responsible.

Be realistic, projects rarely run exactly as planned. The project must demonstrate that risks have been considered and appropriate plans are in place to keep the project on track.

## **Part 6– Evaluation**

The project's evaluation budget must be set out in part 3 c. of the application. This should be 1-2% of the amount of UK Community Renewal Fund requested, with a minimum threshold of £10,000.

**6 a.** Describe how the project will be evaluated. Evaluation should consider both the impact of the project and lessons from the process of how the project was delivered.

Evaluators should generally be independent of the project and have appropriate evaluation expertise. However, in the case of smaller projects this may not be necessary or cost effective and



an evaluation could be undertaken in-house, in which case it should still be undertaken by someone with the necessary skills and be subject to independent review.

The approach will vary depending on the scale and nature of each project. However, all evaluations are expected to consider the following themes:

- appropriateness of initial design
- progress against targets
- delivery and management
- outcomes and impact
- value for money
- lessons learnt

Describe how the evaluation will be used to inform future activity and how it will be shared with others.

#### **Part 7 – Subsidies and/or State Aid where relevant**

**7 a/b** If the project will provide support to businesses or public / voluntary sector organisations that are operating in a commercial way there is potential for this support to represent a subsidy.

If the project would involve the award of subsidies explain how this will be managed in line with the UK's obligations. For example small scale awards can be managed under the threshold for Special Drawing Rights (or De Minimis where State Aid applies).

If the project provides support to businesses but you feel this does not constitute a subsidy explain why.

#### **Part 8 - Branding and Publicity**

Please confirm that the project will comply with branding and publicity requirements set out in the Fund Technical Requirements and Guidance document. Failure to do so will mean your bid is rejected.



UK Government

## UK Community Renewal Fund Application Form

This form is for project applicants, applying for funding from the UK Community Renewal Fund across the UK. **Annex D in this document includes General Guidance for Completing the Application Form.**

The UK Community Renewal Fund Prospectus, Assessment Criteria, a Technical Note for Project Applicants and Deliverers and Technical Note for Lead Authorities are available [here](#).

The level of information provided should be proportionate to the size and complexity of the project proposed.

### Applicant Information

Applicant name: The Dornoch Area Community Interest Company (DACIC)

**Bid Manager Name and position:** Mrs Joan Bishop, Chair  
*Name and position of officer with day to day responsibility for delivering the project*

Contact telephone number: [REDACTED] Email address: [REDACTED]

Postal address: [REDACTED]

Website: <https://visitdornoch.com> <https://www.dornoch.org.uk>  
<https://www.facebook.com/VisitDornoch> <https://www.facebook.com/dornochhub>

Company Registration Number (where relevant): 327565

Charity Registration Number (where relevant): N/A

Senior Responsible Officer contact details: email: [REDACTED]  
Tel: [REDACTED]

**Please confirm the type of organisation:**

Local authority		University
Private sector		FE College
Voluntary sector	X	Other (please specify)

**Value being Requested (£):** £57,132  
 Capital – IT equipment & bikes £3,747  
 CDM/Asset Facilities Manager extension until 31/3/22: £22,182  
 Business Improvement District (BID) Coordinator & Admin: £19,983  
 HUB activities – IT training, subsidised gym membership, cycling for all: £6,408  
 Visitor Centre staff over the winter: £2,880  
 Evaluation (2%) £1,932

**The Bid – investment priority**

Please select which investment priority or priorities of the UK Community Renewal Fund are you applying under:

Investment in skills  
 Investment for local businesses  
 Investment in communities and place **X**  
 Supporting people into employment

<p><b>Private and Voluntary Sector Applicants in Northern Ireland.</b> Please confirm you have attached a copy of the applicant’s latest accounts.</p>	<p>YES</p>
--	------------

## Part 1 - Project Summary

1a Project Name

The DACIC 'Moving Forwards post COVID' Project

For questions 1b-1f, please describe in 500 words or less per question. Please be as concise as possible.

1b What activities will take place?

The project activities that will take place focus largely (94%) on the revenue support DACIC needs to secure to 'Move Forwards' as it recovers post COVID.

The application is made up of the following activities:

1. Revenue costs to extend existing Community Development Manager (Fundraising) x 2 days/week until 31 March
2. Revenue costs to extend the Assets Manager x 3 days/week until 31 March
3. Revenue costs for Dornoch Hub: IT Skills training, subsidised gym membership for those on low income, Cycling for all (to add to a range of activities already funded)
4. Capital costs for IT suite & bikes
5. Revenue funding for winter opening of the Visitor Centre in the Hub
6. Revenue costs to establish a Business Improvement District (BID) being BID Co-Ordinator (3 days/week) and BID Admin Officer posts (2 days/week)

If successful this application will enable DACIC to extend the two existing part-time posts needed to progress its two major Community Asset Capital projects: Dornoch Hub (about to open) and Project Curlew (at Phase 1 & fundraising for Phase 2), both delayed due to COVID. It will establish the two new part-time posts needed to set up a BID in the IV25 area and match fund other secured funds for Community Activities in the new Dornoch Hub. There is also a small amount (6%) of capital funding to set up the IT suite and cycling for all.

1c Who will deliver the activities?

The project activities will be delivered:

No.1 and 2: via the 2 existing employees

No.3 & 4: via the (funded) new post of Activities Co-ordinator overseen by the Assets Manager

No.5: extension of existing employees

No.6: via the 2 new posts to be recruited overseen by the Assets Manager

All will be supported by the 8 voluntary DACIC Board members.

DACIC is a community membership organisation formed in 2007 benefitting the geographic area of IV25 with the aims to:

- Enhance Dornoch town centre while preserving its historic & cultural heritage
- Encourage development of new business employment opportunities
- Ensure a quality range of services continues to be available
- Manage community land and associated assets

DACIC has 227 personal members from the IV25 area and a business group with 95 members.

Since the launch of Highland & Island Enterprise's [Dornoch Economic Masterplan](#) in 2013, DACIC has raised £350k to improve the visitor experience through branding, digital marketing, street signage and events. This has led to an increase in the number of visitors and to the length of the tourist season.

DACIC has a board of voluntary members all drawn from the local community and employs 4 part-time staff as part of the Visit Dornoch project, currently funded by a turnover based levy paid by the Business Group members (pre Covid £28k pa). Employing staff to become a BID will ensure sustainability and move to a more professional delivery against an agreed 5 year plan. As part of the preparation to become a BID, DACIC will have 2 new employees: the BID Co-ordinator and BID Admin Officer.

There are two part-time posts for asset development. The Community Development Manager: Fundraising has helped raise over £1m which enabled the purchase and refurbishment of the redundant Police Station into the Dornoch Hub. The Assets Manager has attracted the tenants and established policies and procedures. The Hub includes a gym and seasonal staff accommodation which opened in May 21, and offices and community room that will be fully open in June. There is funding in place for a part time Activities Co-ordinator, Youth Club Leaders, and tutors for After School Coding Club and Dementia Friendly Art and Craft workshops. We will also enrol volunteers to deliver 'food on a budget' workshops and weekly preparation and delivery of low-cost meals.

1d How will the activities be delivered?

**No.1-2 will be delivered via the 2 existing posts who already report to and receive support from the DACIC board of directors.**

In 2019 a Community Development Manager - Fundraising was appointed and has helped to raise over £1.6m to support two Community asset- based projects. The 2-year contract has been extended to end September 2021. This application will allow a further six months in post to advance Project Curlew following the purchase of the 33k sqm Dornoch South ex-abattoir site in March 2021. So far £419k has been secured against £586k costs for a new vehicle park for cars, coaches and motor homes to accommodate the growing number of visitors. This is phase 1 of an ambitious 4 Phase project for a new leisure and community centre on the site including a 3-lane curling rink to bring all year-round tourism to Dornoch. Securing Phase 1 funding is critical to the whole development of the site.

The first asset-based project in 2020 was the purchase of the redundant Dornoch Police Station with support from the Scottish Land Fund. This 641 sqm building has been totally refurbished into the Dornoch Hub including offices to rent, a community room, a gym and a large reception area which will act as a Visitor Centre and gallery. In early 2021 an Assets Manager was appointed on a temporary basis to oversee the Hub refurbishment work, develop policies & procedures and sign-up tenants, as well as overseeing the Visit Dornoch project (with the Visitor Centre being relocated to the Hub). Extending the post until 31 March 2022 will allow an income stream to be established from the Hub to maintain the role thereafter.

**No. 3-4 will be delivered by the Activities Co-ordinator line manager by the Assets Manager** Funding has been received from the National Lottery for an Activities Co-ordinator to develop the use of the community room. The UKCRF application looks to extend that work to include IT training for the digitally disadvantaged, subsidised gym membership to allow those on low incomes to access the facility and establish a cycling for all facility.

**No.5 will allow the Visitor Centre newly relocated in the Hub to open during the winter**

**No.6 will be delivered via the 2 new posts who will report to the volunteer BID Steering Group comprised of DACIC directors and local business leaders who report to the DACIC Board.**

To move from dependency on grant funding a Business Group was established in 2014 with 85 members with a turnover based Business Group levy. In total £127k has been raised to date for Visit Dornoch marketing, sustaining four part-time jobs providing visitor services, promoting accommodation, events, and touring itineraries.

The next step is to move the Visit Dornoch project from a voluntary funded and volunteer led business group to a professional staff run organisation with an agreed business plan and structured business levy. To do this we will become a [Business Improvement District](#) (BID) which will require two stages:

1. To provide gap funding in 2021 to compensate for reduced voluntary contributions post Covid
2. To follow the documented procedure to consult with businesses and develop a 5-year Business Plan that is then voted on in a ballot to become a BID in 2022. This typically takes around 12-15 months.

#### 1e Who will be the beneficiaries of the project?

All members of the local IV25 community (Population 2,590: Scottish Government 2019 People Data) and the wider local area have the potential to benefit from the community asset initiatives and BID project supported by DACIC.

Residents, visitors, students at the UHI campus, local businesses and their employees will all benefit. Over 30,000 visitors were logged at the Visitor Centre in 2019.

The BID is open to all businesses in the IV25 postcode area that are on the non-domestic rateable value (RV) list (even if they qualify for rates relief). Voluntary membership is available to businesses not on the RV list.

Within the geographic area of the IV25 postcode, there are 227 entries on the non-domestic rates list with a total rateable value of £2,795,525. These will all benefit from the BID and cover a variety of sectors as below:

- Large tourism accommodation premises & Royal Dornoch Golf Club (12 – RV £1,401,500)
- Self- catering units and B & Bs (87 – RV £265,550)
- Retail (35 – RV £223,150)
- Pubs, Cafes & Restaurants (8 – RV £89,750)
- Others (34 - RV £304,650 workshops, offices, museum, garages, stores, driving range)
- Likely to be excluded from contributions, but still benefitting (51 – RV £510,925 - Schools, Health Centre, Dentist, Care Homes, Fire & Rescue, Library, Churches, Masonic Hall, Squash Court, TA Centre, Public Conveniences, Car Parks, Airfield and those with RVs under £1k)

#### 1f Where will the activities take place?

Dornoch and in particular the new Dornoch Hub is the focus for all these activities although the BID also includes consulting businesses in the wider IV25 area with the villages of Embo, Clashmore and Camore.

Located an hour north of the Highlands capital Inverness and is close to the popular North Coast 500 tourist route and with a thriving tourism industry and strong visitor economy, Dornoch operates as one of the Highlands strong regional destinations which benefits the rest of South East Sutherland, based around its world class golf course, unspoiled sandy beach, historic town centre, a 5\* museum, 20+ independent shops and wide range of quality holiday accommodation, cafes, pubs and restaurants. As an important service centre for Sutherland, Dornoch supports and services the whole community across south-eastern Sutherland with key local services.

1g When will the project start?	01/08/21	When will the project end?	31/03/22
1h Which places (district or unitary areas) will benefit from the activity?			
Local Authority Area		Approximate percentage of activity / expenditure	
Highland Council		100% Activity 100% Expenditure	
1i What are the key milestones for the development and implementation of the project?			
<b>Milestone</b>			<b>Target Month</b>
Extension of 2 existing DACIC posts confirmed			August 2021
Recruitment of new BID posts put in motion			July 2021
Activities Co-Ordinator appointed			July 2021
Hub Activities extended & capital purchases made			August 2021
Postholders for new BID posts in place and starting			September 2021
Visit Dornoch Staff start winter opening of centre			October 2021
BID process completed (12-15 month assessment)			End 2022

## Part 2 – Project Impact

For questions 2a-2d, please describe in 500 words or less per question. Please be as concise as possible.

2a What will be the short and long term benefits of the project on its beneficiaries and the wider community?

Funding support for the whole application will bring short and long term economic, community and social benefits to Dornoch and the surrounding IV25 area.

**Nos.1-5: Securing the 2 existing posts, and the funding required for the 2 Community Asset projects will result in the following benefits:**

- Sustaining local employment helping keep people in the area/attracting people to the area
- Provision of long-term sustainable community facilities

- Improved community confidence, health and well-being and resilience as long held aspirations (such as for a gym) are realised.
- Economic benefits as Dornoch becomes more of an all-year round destination
- Moving from reliance on substantial volunteer effort for project management (over 30 hours per week) to a professional staff run social enterprise, supporting local businesses, residents, students & visitors.

Specific to Dornoch Hub:

1. Improved build environment: the renovated building looks and feels better and is well used
2. The businesses using the Dornoch Hub thrive and grow
3. The community activities in the Hub encourage use by all ages – youth club, coding club, one to one IT training for digitally disadvantaged.
4. Health & Wellbeing enhanced – use of gym, cycling & walking for all centre
5. Seasonal staff accommodation in the hostel – allowing businesses to attract staff and grow
6. Increased visitors in winter (visitor centre opening extended) **(No 5)**

**No.6: The creation of a BID will result in the following outcomes:**

*Short-term: Increased revenue, with all businesses paying a fair contribution*

Measured by the agreed BID business levy applied to all those on the rateable value list. The levy is collected by the Highland Council and drawn down by the BID

*Long-term: Implementation of a 5-year Development Plan*

Overseen by the BID Steering Group and implemented by the BID Co-ordinator/Manager

2b How does the proposal align with local needs and long-term strategic plans for local growth?

**Local needs affecting all parts of the projects which DACIC is carrying out include:**

With a growing population, against the trend elsewhere in Highland, and outstanding planning permission for 290 houses, Dornoch needs more community facilities to promote health and well-being for all ages and to attract families to move here. Currently residents have to travel at least 10 miles for sports facilities. Limited public transport means residents are often left isolated and unable to attend activities outside Dornoch. Improved facilities will address this need and encourage families to move to Dornoch. A common challenge identified for residents, especially the young people in Dornoch, is the lack of available sports facilities during the winter.

The Dornoch Hub project fills a local community ‘needs gap’ identified from community engagement surveys (2009-2018), consultation and events and which includes:

- No vacant office space to rent in Dornoch
- No gym within 10 miles and limited indoor leisure facilities in Dornoch generally
- No central base or workshop space for creative people to rent and access
- Lack of access to IT and superfast broadband
- No appropriate, easily available meeting, conference or training rooms
- No affordable accommodation for seasonal workers
- No other community transport and very limited public transport

**All parts of this proposal align with the following long-term strategic plans for local growth as they:**

- Support *the Place Principle*: through ‘a shared understanding of what that place is for and what it wants to become with partners and communities collaboratively agreeing the joint actions required to make that happen and doing them’.
- Contribute to the Regeneration Strategy: as community-led regeneration projects.



- Contribute to *Scotland's Economic Strategy*: addresses inequalities and tackles underlying challenges in the labour market, delivers sustainable growth.
- Support *the National Planning Framework 3*: identifies 'people led' community ownership as a priority, promotes opportunities for sustainable economic growth.
- Contribute to *the Caithness & Sutherland Plan*: focus on strengthening communities and on sustainable rural and community-led development.

2c How does the project support the Government's Net Zero ambitions or wider environmental considerations? (This is not a requirement for employment support proposals)

With regard to the employment posts, where possible staff work from home reducing travel and carbon emissions, meetings are held using Zoom when possible.

The DACIC projects aim to provide community activities, support and resources more locally so they will benefit the environment through encouraging exercise such as walking and reducing car use to access similar activities in places like Lairg, Tain or Ardgay. The closest gym was in Tain or Golspie with limited public transport available.

The Dornoch Hub will breathe new life into a redundant town centre building. The design team has enhanced the facilities within to enable a range of community needs to be met. The heating system will be more efficient with remote thermostatic controls, double glazed windows will replace draughty single glazed units and loft & coomb insulation will ensure reduced energy consumption. LED lighting will be fitted throughout. Combined with more efficient radiators in the hostel this will all contribute towards net -zero carbon emissions by 2045 target.

2d How does the project demonstrate innovation in service delivery?

DACIC is being innovative in its approach to solving issues which Dornoch is facing by adapting as far as it can and being flexible when needed, collaborating as required and trying new approaches when possible.

The DACIC Dornoch Hub is a transformational town centre project regenerating the redundant Dornoch Police Station (internal area 641 sq.m) which required an innovative approach for a large empty building to create sustainable multi-purpose community, creative, business and health & well-being centre. The use of the old cells to rent out for storage (in strong demand!) is one example. The conversion of the ex-garage in to a Gym another and transforming the ex-police hostel into HMO to provide affordable accommodation for local hotel staff another.

Setting up the IV25 BID is an innovative way to support businesses and through them the local community. It requires stepping back to see the wider picture of how to move seamlessly to a professional staff run organisation from a volunteer led business group. This is an innovative way to move an organisation on to a more secure basis and away from dependency on grant funding.

2e Which groups will your UK Community Renewal Fund project target?

*Please describe below and complete Annex A – Project Impact Indicators*

*People Target - Economically Inactive, Unemployed, Employed: Hub Activities, BID - New Jobs*

*People Target – Employed only: Existing posts (as the postholders hope to remain employed)*

*Businesses Target – Small, Medium and Large: BID project (involves all local businesses)*

*Organisations – Voluntary Sector: Hub Activities; Public: BIDS activities;*

2f Please describe how you have considered the equalities impacts of your proposal, the relevant affected groups based on protected characteristics, and any measures you propose in response to these impacts.

DACIC is very aware of the need to consider equalities impacts within all its projects and when recruiting and has appropriate policies in place which are reviewed regularly.

There is evidence of local deprivation with free school meals numbers (10% entitlement), 176 households with no car, affordable housing currently being built and the demand for low-cost seasonal staff accommodation. During the COVID-19 emergency 150 people were on the register and received food twice a week. 32% of the population are 65+ living in a scattered rural community.

These needs will be addressed in the Dornoch Hub by:

- Workshops on healthy eating and cooking on a budget
- Low-cost meals once a week in the Food Stop
- Subsidised Gym memberships for low-income families
- IT suite and training to address digital exclusion
- Employability training
- DDA access, meeting room and toilet
- Providing support for mental & physical health (walking, cycling, gym)

The BID project is open to all businesses who wish to participate and welcomes anyone who wishes to become involved.

2g What UK Community Renewal Fund Outcomes will the project deliver?

*Please describe below and complete Annex A – Project Impact Indicators*

- Employment increase in supported businesses as a result of support
- Jobs safeguarded as a result of support
- Investment attracted as a result of support
- Increase in footfall as a result of support
- Increase in visitor numbers as a result of support
- Delivery of agreed 5 year business plan as part of the BID

2h How have the outcomes been estimated?

From experience in other projects leading up to this

2i Would you expect to achieve any of these outcomes without UK Community Renewal Fund support?

Not without finding funding from other sources.

### Part 3 - Funding Package

3a How much UK Community Renewal Fund investment is sought?

£57,132

*Please also complete Annex B – Funding Package and Profile*

£22,182 salary to extend 2 existing part-time posts Fundraising & Assets Manager (1 FTE) x 8 months

£3,747 Hub activities capital costs for IT and Cycling for all

£6,408 Hub activities revenue costs for IT and Cycling for all

£19,983 for BID new posts (0.6 FTE BID Co-ordinator. 0.4 FTE Admin Officer) For 8 months

£2,880 for Visit Dornoch staff to open the Visitor Centre during the winter

£1,932 Evaluation

**£57,132 - Total Request against £98,534 total project cost**

3b Does the funding package include any match funding? If so, how much?

£24,519 - HUB – National Lottery Community Led Activities (confirmed)

£6,883 for Fundraising & Assets Manager (confirmed)

£10,000 BID – Match funding over 8-month period sought from Seedcorn Grant application

<b>Costs to be covered by match funding</b>	
TNL Programme of activities	£24,519
BID Co-ordinator % Admin posts	£10,000
Fundraising & Asset manager posts	£6,883
<b>Total</b>	<b>£41,402</b>

3c What will the funding package be spent on?

8 months Salaries + costs for 2 existing posts/1 FTE: CDM Fundraising and Assets Manager

8 months of additional Hub Community Activities (capital & revenue)

6 months Visit Dornoch staff costs October - March

8 months BID Co-Ordinator and Admin Officer posts

3d How has the overall budget been estimated, what has been done to test that it is accurate, how would any unexpected costs be managed?

The costs have been developed as part of match funding applications.

## Part 4 – Project Applicant Experience and Capacity

Please limit your responses to each question to 250 words or less. Please be as concise as possible.

### 4a What experience does the organisation have of delivering this type of activity?

DACIC has successfully implemented £350k grant funding to support the Dornoch Economic Masterplan projects and raised £20k through community crowdfunding to help create a new Visitor Centre in the Carnegie Courthouse.

To provide support for local businesses and generate involvement within the community, DACIC established a business group in 2014 with 85 members and a turnover based business group levy. This enabled match funding to be sought including VisitScotland Growth Fund to launch the new 'Visit Dornoch'. The Business Group now has 95 members who contribute to a shared marketing fund managed by DACIC and sustaining four part time posts (£28k pa). The proposed development of a BID puts this arrangement on a more professional footing, with paid staff delivering an agreed 5 year business plan.

DACIC secured over £1m to purchase the former Dornoch police station via a Community Asset Transfer and totally refurbish the building into the Dornoch Hub with a Business Centre, Community Room, Seasonal staff accommodation, Visitor Centre and Gym. This is due to open in fully in June 2021.

A second community asset project has led to the purchase with support from the Scottish Land Fund of Dornoch South, an ex-abattoir site. This is an ambitious project to create a leisure, sports and cultural centre with 3 lane curling rink. Phase 1 is a car, coach & motorhome vehicle park with £400k out of £580k secured.

These community asset projects involved considerable community engagement and involvement via open days, surveys and questionnaires and local businesses and organisations provided letters of support, and then Project Management skills to implement.

### 4b Describe the resources (e.g. staff) the organisation has available now to deliver the project?

DACIC projects to date have been managed by the DACIC voluntary board of 8 directors with a range of business, community, marketing and financial experience. Full details of all Board members can be provided demonstrating their capability and breadth of business experience. The board meets monthly and review progress against the five-year business plan and the identified targets, outputs and outcomes.

DACIC is just completing a six month £500k refurbishment of the redundant Dornoch Police Station which has been managed financially by the DACIC board, with a funding package from 7 separate organisations. Two directors have volunteered hours (typically 20-30 hours per week) to manage the project. We have two part-time project staff, a Community Development Manager (Fundraising) and an Assets Manager.

We therefore feel confident in managing this project, but this does underline that these posts are key and therefore securing funding is vital to ensure continuity and to maximise chances of successful delivery.

4c If the organisation will have to recruit staff or appoint contractors what plans are in place to manage the risk of delay?

The staff to be appointed are for the BID project and recruitment details will be put together ahead of hearing the outcome of this funding to ensure that everything is ready to go as soon as the application outcome is communicated to us.

4d Describe the systems and processes that will be used to ensure only costs directly related to the project will be included in grant claims.

We operate QuickBooks and have used this to manage grant expenditure and reclaims on the £1m project for transformation of the redundant Police Station into the Dornoch Hub involving seven funding bodies. Income and expenditure codes are identified for each funder and invoices allocated according to grant application.

## Part 5 – Project Risk Management

Please limit your responses to each question to 250 words or less. Please be as concise as possible.

5a Summarise the key risks to the project in Annex C – Project Risks

Risks to overall project:

*Funds not being secured:* Putting funding packages together is not easy with different time frames and conditions. We have to add funders as some requests are not met in full.

*Long-term Sustainability:* The Hub: Securing tenants, meeting income targets for meeting room lets, keeping running costs down. The Assets Manager is key to achieving these goals. Board will regularly review the project and adjust targets accordingly.

*BID:* Working with a range of businesses and trying to agree a 5 year business plan which is then put to a ballot. Risk is that the ballot fails.

*Visitor Centre:* Moving the Visitor Centre from the Courthouse to the Hub. Taking the community with us who invested £20k in the Courthouse. Attracting visitors to a new location

5b Describe the process and that will be used to monitor risk.

Having staff in place to ensure monitoring and being less reliant on volunteers

Review of targets and budgets on a regular basis adjusting if required

Ongoing research and identification of new activities and potential funders to keep the organisation dynamic.

Reporting back to Board by all members of staff on a monthly basis

## Part 6 – Evaluation

6a A key objective of the UK Community Renewal Fund is to try new ways of delivering activity to businesses and people. It is important that projects are robustly evaluated and that learning is shared with others.

Please limit your responses to around 500 words and describe

- how the project will be evaluated, in terms of how it was delivered and its impact on clients
- how the findings of the evaluation will be disseminated

DACIC will evaluate the project in a number of ways and share details with others on a regular basis.

DACIC already monitors footfall in the Visitor Centre and through its 95 business group members (shops, restaurants, accommodation providers and visitor attractions) gets feedback on change in turnover, business confidence, jobs created and retained. This information is shared at Board meetings and targets reviewed and amended as a result.

*Hub:* The Main project outcomes/changes and how they will be evaluated are:

- 1. Improved build environment: the renovated building looks and feels better, is more energy efficient and is well used. MEASURE: Positive community comments, year on year growth in occupancy and user numbers. Set budgets for all running costs and monitor monthly

- 2. Improved community confidence, health & wellbeing

MEASURE: from base line data on registration. Number in year 2 more confident using IT (20), using the gym regularly (100), eating better (20), taking more exercise (20), attending creative workshops regularly (20), attending youth club and coding club.

- 3. The businesses using the Dornoch Hub thrive and grow

MEASURE: Number of businesses renting space, number of jobs sustained and created in first five years (target 14)

- 4. Moving to a sustainable business model

MEASURE: Set income targets and expenditure budgets and review actual via budget monthly.

Generate sufficient surplus to employ a part time manager without grant aid. Respond to business and community suggestions for future development

- 4. Visitor Centre move to the Hub

MEASURE: Visitors attending. Install people sensor at front door. Record information requested.

Compare with date for current visitor centre.

*BID:*

- 1. Engaging with businesses and building a 5 year plan around their priorities. Winning the vote in a secret ballot to establish a BID and implement the plan

## Part 7 – Subsidy Control

All bids must also consider how they will deliver in line with subsidy control (or State Aid for aid in scope of the in Northern Ireland Protocol) as per UK Government guidance:

<https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities>

7a Does any aspect of the project involve the provision of subsidies (or State Aid)?

No

7b If yes, briefly explain how the subsidies or state aid are compliant with the UK's subsidy control regime as set out in the guidance.	
N/A	

<b>Part 8 - Branding and Publicity</b>	
Guidance on the branding and publicity requirements for the UK Community Renewal Fund is set out in the Fund Technical Note for Project Deliverers.	
8a Please confirm that you have read and will comply with all aspects of the Fund branding and publicity requirements.	Yes

**Data Protection**

Please note that the Ministry for Housing Communities and Local Government (the Department) will be a Data Controller for all UK Community Renewal Fund-related Personal Data collected with this form and submitted to the Department, and the control and processing of Personal Data.

Mayoral Combined Authorities, the Greater London Authority, County Councils or Unitary Authorities, have been designated as a 'Lead Authority' in Great Britain for the UK Community Renewal Fund. Each Lead Authority has been invited to run a local bidding process and will be a Data Controller for all UK Community Renewal Fund related Personal Data collected with the relevant forms as part of this process, and the control and processing of Personal Data, where such applications are not submitted to the Department for consideration.

The Lead Authority (in Great Britain) and the Department will processes all data according to the provisions of the Data Protection Act 2018 and the UK General Data Protection Regulation 2018 (UK GDPR) all applicable laws and regulations relating to processing of Personal Data and privacy, including, where necessary, the guidance and codes of practice issued by the Information Commissioner and any other relevant data protection regulations (together "the Data Protection Legislation (as amended from time to time)").

As a Processor of UK Community Renewal Fund-related Personal Data your organisation and the Lead Authority (when acting in Great Britain) must ensure that such Personal Data is processed in a way which complies with the Data Protection Legislation (as amended from time to time).

By proceeding to complete and submit this form, you consent that the Lead Authority (in Great Britain) and its contractors where relevant, and the Department, and its contractors where relevant, may process the Personal Data that it collects from you, and use the information provided as part of the application to the Department for funding from the UK Community Renewal Fund, as well as in accordance with its privacy policies. For the purposes of assessing your bid the Department may need to share your Personal Data with other Government departments (such as the Department for Work and Pensions) and departments

in the Devolved Administrations and by submitting this form you are agreeing to your Personal Data being used in this way.

Data Controller, Personal Data, Personal Data and Processor all have the meaning given to them in the Data Protection Legislation (as amended from time to time).

**You can find more information about how the Department deals with your data here:**

<https://www.gov.uk/government/publications/uk-community-renewal-fund-prospectus>

## Part 9 - Project Applicant Statement

I declare that I have the authority to represent the project applicant in making this application. I understand that acceptance of this application form by the Lead Authority (in Great Britain) or the Ministry for Housing Communities and Local Government (the Department) does not in any way signify that the project is eligible for funding under the UK Community Renewal Fund or that any such funding has been approved towards it.

On behalf of the project applicant and having carried out full and proper inquiry, I confirm to the Lead Authority (in Great Britain) and the Department that:

- the project applicant has the legal authority to carry out the project; and
- the information provided in this application is accurate.

I also confirm to the Lead Authority (in Great Britain) and the Department that:

I have informed all persons whose personal information I have provided of the details of the personal information I have provided to you and of the purposes for which this information will be used, and that I have the consent of the individuals concerned to pass this information to you for these purposes.

I consent to the Personal Data submitted with this form being shared as set out in this form and in accordance with the Lead Authority's Privacy Policies (in Great Britain) and the Department's Privacy Policies.

I shall inform the Lead Authority (for Great Britain projects) if, prior to any UK Community Renewal Funding being legally committed to the project applicant, I become aware of any further information which might reasonably be considered as material to the Lead Authority or the Department in deciding whether to fund the proposal;

For Northern Ireland projects, I shall inform the Department if, prior to any UK Community Renewal Funding being legally committed to the project applicant, I become aware of any further information which might reasonably be considered as material to the Department in deciding whether to fund the proposal;

Any match funding that has been set out in part 3 will be in place prior to any award of UK Community Renewal Funding; and

I am aware that if the information given in this application turns out to be false or misleading, the Lead Authority (where relevant) or Department may demand the repayment of funding and/or terminate a funding agreement pertaining to this proposal.

I confirm that I am aware that checks can be made to the relevant authorities to verify this declaration and any person who knowingly or recklessly makes any false statement for the purpose of obtaining grant funding or for the purpose of assisting any person to obtain grant



funding may be prosecuted. A false or misleading statement will also mean that approval may be revoked and any grant may be withheld or recovered with interest.

I confirm that I understand that if the project applicant commences project activity, or enters in to any legally binding contracts or agreements, including the ordering or purchasing of any equipment or services before the formal approval of the project, any expenditure is incurred at the organisation's own risk and may render the project ineligible for support.

For and on behalf of the project applicant Name:	Joan Bishop		
Position	Chair – DACIC	Date	14/05/2021

## Annex A – Project Impact Indicators

1a Which groups will your UK Community Renewal Fund project target?

Main Indicator	Indicator Subset	Target Group	Number
People (plus potentially 30,000 visitors a year in the visitor centre)	Economically Inactive	Yes	<b>90</b>
	Unemployed	Yes	<b>40</b>
	Employed	Yes	<b>500</b>
	Total		630
Businesses	Small <sup>1</sup>	Yes	<b>100</b>
	Medium <sup>2</sup>	Yes	<b>2</b>
	Large <sup>3</sup>	Yes	<b>1</b>
	Total		<b>103</b>
Organisations	Public	Yes	<b>3</b>
	Private	Yes	<b>11</b>
	Voluntary Sector	Yes	<b>5</b>
	Total		19

1b What types of support will you provide via your UK Community Renewal Fund project?

Main Indicator	Indicator Subset	Proposed Support Type	Number
Direct support	1 to 1	Yes	<b>58</b>
	1 to many	Yes	<b>Up to 217 session pa</b>
Financial Support (£s)	Grant	No	<b>0</b>
	Voucher	No	<b>0</b>

<sup>1</sup> <https://www.legislation.gov.uk/ukpga/2006/46/section/382>

<sup>2</sup> <https://www.legislation.gov.uk/ukpga/2006/46/section/465>

<sup>3</sup> Any business that does not qualify as a small or medium business

1c What UK Community Renewal Fund Outcomes will the project deliver (see Technical Note for Project Applicants and Deliverers for details)?

Outcome	Total
Employment increase in supported businesses as a result of support	1 FTE (split into 2 part-time posts)
Jobs safeguarded as a result of support	1 FTE (split into 2 part-time posts)
Investment attracted as a result of support	£41,402 match funding 12 businesses in the Hub
Increase in footfall as a result of support	5,000
Increase in visitor numbers as a result of support	5,000

### Annex B – Funding Package and Profile

	Amount		
(a) UK Community Renewal Fund Requested	£57,132		
(b) Other Public Funding	£41,402	In place	Partial
(c) Private Funding		In place	N/A
(d) Total Project Costs (a+b+c)	£98,534		
Expenditure Profile. How much will be spent in:			
Jul – Sept 2021	£23,301		
Oct – Dec 2021	£34,304		
Jan – Mar 2022	£40,929		
<b>Total</b>	£98,534	Must equal (d)	

How much of the budget will be spent on capital costs?	£3,747		
If the project will deliver under more than one of the UK Community Renewal Fund's investment priorities, please estimate how much will be spent under each theme			
Investment in skills	%	Investment for local businesses	%
Investment in communities and place	100%	Supporting people into employment	%

## Annex C – Project Risks

### Project Risk Management

Please be as concise as possible.

Summarise:

- the key risks to the delivery and success of the project
- who is responsible for managing the risk, the Owner
- the probability of the risk occurring, is it high, medium or low?
- what would be the impact of the risk, high, medium or low?
- The mitigation plans in place to manage the risk occurring or to deal with the risk if it does occur

Risks Description	Owner	Probability (H,M,L)	Impact (H,M,L)	Mitigation
Risks to overall project:				
Funds not being secured:	DACIC	M	M	Continue research and applying to funders. Work towards sustainability.
Long-term Sustainability: Hub	DACIC	L	H	Keep offices all filled if possible; Keep Community spaces being used. Raise awareness as much as possible. Listen to feedback and react!
Specific to BID Not enough support for the ballot to carry	DACIC/Steering Group	M	H	Raise awareness as much as possible. Engage face to face and listen to and address business concerns. All steering group members act as ambassadors. Ask other BIDs to visit & share their journey.
Visitor Centre moving to the Hub	DACIC	L	M	Promotion to visitors – website, social media. Street signage. Share with business group ask them to promote. Engage with members as share rationale.

## Annex D – General Guidance for Completing the Application Form

The application must be completed and submitted in Word.

Provide describe the project as simply as possible. Do not use technical terms, explain any acronyms. If an assessor cannot understand the project it cannot be assessed against the selection criteria and the bid will be rejected.

Some sections of the form contain guidance on the number of words to be used. Additional information and text in excess of any limits will not be considered. If possible use fewer words. The assessment of bids will be based on the information provided in the Application Form only. **Do not attach appendices or include links to websites.**

The UK Government will not contact bidders to clarify any aspect of submitted bids.

### Part 1 - Project Summary

Full details of the investment priorities are set out in the Prospectus. Bids must demonstrate how they align with at least one of the priorities.

If the proposed project intends to deliver under more than one priority, provide an estimate of the percentage of funding that will be spent under each priority in Annex B – Funding Package and Profile.

**1 b – 1 f** Clearly explain what the project intends to do and how it will be done. Be as straightforward as possible. If it helps to use diagrams these can be inserted into the application. When reviewing your bid consider the following questions from the point of view of someone who knows nothing about the organisation or the project:

- is it clear what the project would do?
- is it clear who will deliver the activities, who is involved and their roles?
- is it clear how, when and where the project will be delivered (ie. will the project deliver one to one support, one to many events/activities, will it be delivered in a specific location, on business or personal premises)?
- is it clear which individuals and businesses will benefit from the project, is there a focus on certain groups of people or types of businesses?
- is it clear how the project activities reflect the investment priorities?

If the project will work with people or businesses, you can summarise the customer journey using a flow chart showing specific project activities. A logic model or theory of change may also help explain your proposal.

**1 h.** List the local authority areas that may benefit from the project. For projects working with people or businesses this should be based on the location of the intended beneficiaries. In Great Britain, the relevant local authority area is as set out in the [list of places](#).

A project may be delivered in a single area or cover several areas. A project may operate in all parts of a local authority area or focus on particular locations.

**1 i.** These key milestones must link to the proposed activities and demonstrate that the project is deliverable by 31 March. Do not include milestones relating to the approval of the bid. Consider:

- securing internal approvals for the project or any other funding
- establishing the project team
- procurement for external services/suppliers
- project launch and recruiting beneficiaries
- key points on the beneficiary journey

Projects will be monitored against these milestones.

## **Part 2 - Project Impact**

**2 a.** Consider the impact on the beneficiaries and what the organisations involved in delivering the project hope to learn from it. Summarise the objectives of the project. These should be specific, measurable, achievable and time constrained. Set out how the project responds to any market failure or delivery inefficiency.

In part 5 explain how performance against these objectives will be evaluated.

**2 b.** Describe how the project activities and expected impacts contributes to local priorities set out in local plans. When lead authorities invite bids, they will identify the key local growth priorities they have chosen to focus on.

**2 c.** This section is not a requirement for bids submitted entirely under the 'supporting employment' investment priority. Projects under the employment investment priority will not be disadvantaged during the assessment and prioritisation of bids because this criterion does not apply.

Explain how the project would contribute to the UK Government's Net Zero or wider environmental considerations. Projects should be based on low or zero carbon best practice, adopt and support innovative clean tech where possible and support the growing skills and supply chains in support of Net Zero where possible.

As a minimum projects should meet the clean growth principle and must not conflict with the UK's legal commitment to cut greenhouse gas emissions to net zero by 2050.

**2 d.** Describe how the project demonstrates innovation in service delivery for example:

- introducing new delivery approaches
- new integrated approaches across policy themes or
- collaboration across areas
- testing existing approaches with different types of beneficiaries
- new ways of using digital technology to support beneficiaries

Trying new ways of working is riskier and in some cases can be more expensive than established ways of working. This will be taken in account during the assessment and prioritisation of bids and during the monitoring of successful projects.

**2 e.** Complete Annex A of the application – Project Impact Indicators.

Provide any further information on the groups or sub-groups of people or businesses the project would work with. Describe how the number in each group has been estimated.

**2 f.** The UK Government is required to consider equalities impacts in line with the Equality Act 2010. This questions helps us understand how equality considerations have shaped the design of the project and the extent to which [groups with protected characteristics](#) have been considered and any mitigations proposed. It does not form part of the assessment process.

**2 g/h.** Complete Annex A of the application. Provide any further information on project outcomes and explain how the figures have been estimated. For example, explain the relationships between the number of intended final beneficiaries and the outcomes you intend to achieve?

Projects will be required to report on the number and type of beneficiaries supported and the outcomes achieved.

**2 i.** Describe what would happen if the bid to the UK Community Renewal Fund is unsuccessful. Would the project proceed on a smaller scale, would the activities be undertaken in a different way or at a later date, or would none of the activities occur?

### **Part 3 - Funding Package**

**3 b.** Match funding is any funding other than funding from the UK Community Renewal Fund that will be used to meet project costs. This includes from the project applicant or other organisations



including income from beneficiaries. Please set out who match funding will come from, where relevant.

If the project relies on match funding and it is not secured, explain when it is expected to be secured and what the impact would be if it is not secured.

**3 c.** Summarise the amount that will be spent under the main areas of expenditure. The breakdown must be detailed enough to demonstrate that the funding package and budget is appropriate to the proposed activities and sufficient to deliver the project.

Examples of the types of headings to use are:

- staff costs - salaries and contractual benefits, National Insurance and superannuation contributions
- overheads, at 15% of staff costs
- business travel, subsistence and accommodation
- fees of contractors and consultants
- costs of materials or venue hire
- marketing and publicity costs
- grants provided to end beneficiaries
- training participant costs e.g. allowances, travel expenses
- dependent care costs of training participants
- small items of equipment
- evaluation
- external audit cost (Northern Ireland)

VAT that cannot be recovered from HMRC as part of the VAT system is eligible for support. Estimate the amount of irrecoverable VAT the project would incur in section 3 c.

**3 d.** Describe how the figures provided in section 3 c were estimated. For example

- staff costs of X posts at salaries of £Y pro-rata for Z months of activity
- grants of between £X and £Y at an average of £Z per grant multiplied by the number of expected beneficiaries
- materials at a cost of £X per beneficiary multiplied by the number of expected beneficiaries

Explain what has been done to test the budget is accurate and how any unexpected costs or cost increases would be managed.

## **Part 4 – Project Applicant Experience and Capacity**

**4 a - c.** The deliverability of projects is significant element of the criteria that will be used to assess bids to the UK Community Renewal Fund. It is important that we can have confidence that organisations that are offered funding are able to implement their projects quickly and effectively.

As the UK Community Renewal Fund is seeking innovation and new ways of working it is not essential that applicant organisations have a track record in delivering similar projects. It is however essential that organisations can draw on relevant experience and are able to demonstrate they have or will have access to the resources and expertise they need to deliver the project.

If the project will recruit staff or appoint contractors, this should be included in the project milestones. Describe the contingency plans that are in place to manage the risk if there are delays.

**4 d.** Project costs must be based on the actual expenditure incurred in delivering the project, evidenced through invoices or other transactions. Describe the process and controls the organisation would use to ensure only costs related to the project are included in grant claims.

Describe how the project will manage the risk of the project being defrauded by beneficiaries, contractors or members of staff. If the project involves grants, describe how fraud risk will be managed at key stages of the grant process. UK Community Renewal Fund projects may be selected for audit visits by the lead authority (GB) or the UK Government (GB & NI).

## **Part 5 – Project Risk Management**

Complete Annex C. This should provide a clear summary of the key risks to delivering the project activity and achieving the project's objectives.

**5 b** Describe how the risk identified in Annex C will be monitored, what systems will be used, who is responsible.

Be realistic, projects rarely run exactly as planned. The project must demonstrate that risks have been considered and appropriate plans are in place to keep the project on track.

## **Part 6– Evaluation**

The project's evaluation budget must be set out in part 3 c. of the application. This should be 1-2% of the amount of UK Community Renewal Fund requested, with a minimum threshold of £10,000.

**6 a.** Describe how the project will be evaluated. Evaluation should consider both the impact of the project and lessons from the process of how the project was delivered.

Evaluators should generally be independent of the project and have appropriate evaluation expertise. However, in the case of smaller projects this may not be necessary or cost effective and

an evaluation could be undertaken in-house, in which case it should still be undertaken by someone with the necessary skills and be subject to independent review.

The approach will vary depending on the scale and nature of each project. However, all evaluations are expected to consider the following themes:

- appropriateness of initial design
- progress against targets
- delivery and management
- outcomes and impact
- value for money
- lessons learnt

Describe how the evaluation will be used to inform future activity and how it will be shared with others.

#### **Part 7 – Subsidies and/or State Aid where relevant**

**7 a/b** If the project will provide support to businesses or public / voluntary sector organisations that are operating in a commercial way there is potential for this support to represent a subsidy.

If the project would involve the award of subsidies explain how this will be managed in line with the UK's obligations. For example small scale awards can be managed under the threshold for Special Drawing Rights (or De Minimis where State Aid applies).

If the project provides support to businesses but you feel this does not constitute a subsidy explain why.

#### **Part 8 - Branding and Publicity**

Please confirm that the project will comply with branding and publicity requirements set out in the Fund Technical Requirements and Guidance document. Failure to do so will mean your bid is rejected.



**UK Government**

## UK Community Renewal Fund Application Form

This form is for project applicants, applying for funding from the UK Community Renewal Fund across the UK. **Annex D in this document includes General Guidance for Completing the Application Form.**

The UK Community Renewal Fund Prospectus, Assessment Criteria, a Technical Note for Project Applicants and Deliverers and Technical Note for Lead Authorities are available [here](#).

The level of information provided should be proportionate to the size and complexity of the project proposed.

### Applicant Information

**Applicant name:** we are radikl

**Bid Manager Name and position:** Charlotte Buggy, Business Development Manager  
*Name and position of officer with day to day responsibility for delivering the project*

**Contact telephone number:** [REDACTED]  
**Email address:** [REDACTED]

**Postal address:** [REDACTED]

**Website:** www.weareradikl.co.uk

**Company Registration Number (where relevant):** 11698933

**Charity Registration Number (where relevant):** N/a

**Senior Responsible Officer contact details:** Claire Dunn | Co Founder | 07854689565

**Please confirm the type of organisation:**

- Local authority
- Private sector
- Voluntary sector
- University

- FE College
- Other (please specify)  
Click or tap here to enter text.

**Value being Requested (£): 92,750.00**

**The Bid – investment priority**

Please select which investment priority or priorities of the UK Community Renewal Fund are you applying under:

- Investment in skills
- Investment for local businesses
- Investment in communities and place
- Supporting people into employment

<b>Private and Voluntary Sector Applicants in Northern Ireland.</b> Please confirm you have attached a copy of the applicant’s latest accounts.	Choose an item.
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## Part 1 - Project Summary

1a Project Name	Women's focussed Incubator for Ambitious Entrepreneurs in The Highlands.
For questions 1b-1f, please describe in 500 words or less per question. Please be as concise as possible.	
1b What activities will take place?	
<p>This project will deliver 2 cohorts of a 3-month Business Incubator Programme, for underserved, ambitious women entrepreneurs. The project will begin in September 2021 and end in March 2022.</p> <p>BEIS Research Paper 7 in partnership with NESTA, reported on the important role Incubators play in supporting young but ambitious businesses through the early stages of growth; helping them avoid mistakes, save time, money and increase survival rates. The Treasury commissioned paper into the state of women's entrepreneurship confirmed that harnessing women's entrepreneurial talent could be the greatest opportunity for economic growth in the 21st Century.</p> <p>The purpose of this Incubator is to provide targeted support to 2 cohorts of 20 women entrepreneurs in The Highlands who are:</p> <ul style="list-style-type: none"><li>• ambitious for growth</li><li>• started their business since 2019</li><li>• seeking to grow recurring revenues of between £50k &amp; £250k per annum</li></ul> <p>The blended online learning programme includes:</p> <p>Personalised Needs Analysis</p> <ul style="list-style-type: none"><li>• The programme will begin with a personalised needs analysis to understand growth goals; barriers to growth and to establish learning objectives</li><li>• This will take place via online questionnaire and a 2.5 hour facilitated workshop</li></ul> <p>12 growth-focused modules over 12 weeks</p> <ul style="list-style-type: none"><li>- 45-minute expert lessons delivered weekly by our expert faculty to develop know-how and provide inspiration</li><li>- Supporting workbooks to capture learning take practical steps towards business goals</li><li>- Replay Library for the duration of the incubator</li></ul> <p>4 Live 2.5 hour Online Workshops</p> <ul style="list-style-type: none"><li>• Workshop 1 will focus on Needs Analysis, introduction to our Faculty and set up of the programme</li><li>• Workshops 2-4 will provide the opportunity to deep dive into the topics covered in the proceeding modules, tailoring learning to personal business goals</li><li>• Provide the opportunity to develop a local, trusted network of entrepreneurs</li></ul> <p>3 months radikl Engage membership</p> <ul style="list-style-type: none"><li>- Access to online UK-wide network of women entrepreneurs</li><li>- Weekly Business Coaching</li><li>- 24/7 Help Hubs</li></ul>	

The 12 modules in the Incubator include:

- 1 - Build the business you dare to dream about by understanding your why
- 2 - The power of your Founder Story
- 3 - Managing growth within your business - the mindset that makes all of the difference
- 4 - Money Mindset - getting clear on your Financial Goals
- 5 - Create a value proposition that will transform your business
- 6 - An essential guide to marketing your business effectively
- 7 - Using customer success management to fuel the growth of your business
- 8 - How to build a robust financial forecast for your business
- 9 - Reframing Self-limiting beliefs
- 10 - Funding for growth - an introduction to early stage investment
- 11 - Creative Problem Solving - bring an innovative edge to your business
- 12 - Legally protecting the growth of your business

As a result, she will be:

- clearer on the growth potential of her business
- more confident as an entrepreneur & in her ability to manage growth
- clearer on her financial goals & be able to use more financial data to make decisions
- more connected to other entrepreneurs
- using new frameworks to grow her business.

#### 1c Who will deliver the activities?

we are radikl was co-founded by Sarah King and Claire Dunn in 2018. As a fast-growing start-up, accelerator and investment movement in the UK, the co-founders bring 16 years entrepreneurial and investment experience to their business as well as prior Corporate and Public Sector careers.

Sarah is an expert practitioner in Design Thinking, innovative learning methodologies and an Executive Coach working with senior leaders across many industries. Sarah designs impactful learning programmes that fuel action and confidence in women entrepreneurs.

Claire has a corporate career in customer experience, customer services and operations management, managing large and complex teams to deliver multi-million pound contracts. Claire's focus is on ensuring that the outcomes of the programmes and projects delivered by we are radikl meet the desired outcomes for all parties.

Sarah and Claire have carefully created a team of incredible practitioners who also benefit from the combination of both corporate and entrepreneurial experiences. The we are radikl management team also includes:

Stephanie Chosen – Head of Marketing who ensures that the marketing materials and tool kits are available to attract ambitious high growth women to the Programme

Lucy Lowe – Administration Manager who ensures all enquiries are handled in a timely way and that all reporting and insights are shared with the radikl team and our partners

Rochelle Livingstone - Head of Learning who ensures that the learning design and bespoke elements of the programme of delivered throughout the programme

Charlotte Buggy – Business Development Manager who ensures our partnerships with local

authorities and organisations are well maintained to enable insights and opportunities to be shared and acted on appropriately.

The core radical faculty who will help to deliver and facilitate this Incubator are:

Preethi Sundaram – Head of Vertical Marketing, EMEA and LATAM at LinkedIn  
Tsitsi Mutiti – Chartered FCSI and Investment Manager at Charles Stanley & Co  
Ian Sanders – Creative Consultant, published story teller and speaker  
Rachel Grant – Instagram Consultant and Strategy Specialist  
Jaz Broughton – Customer Success Consultant and Speaker  
Davina Ripton – Change Consultant and Leadership Coach  
Egbe Manton – Legal Consultant and Founder of Manton Legal

We also have access to a broad reach of highly skilled and experienced trainers and facilitators from our network who we engage with as Associates to support the delivery of our radical programmes as required.

The core management team and the core faculty all have experiences in both corporate and entrepreneurial industries which allows us to adopt and empathise with both the entrepreneurial and corporate mindsets. By bringing these experiences and insights together, we can better support women to build sustainable businesses.

It's the incredible we are radical team, core faculty and our Associates that will deliver this project.

#### 1d How will the activities be delivered?

we are radical delivers online learning programmes and hosts a thriving online entrepreneurial community. We use industry-leading software to deliver our incubator and accelerator programmes including:

- Thinkific; to deliver all of the self guided Incubator content
- The Mighty Networks; to deliver our community experiences
- All group facilitated meetings will be hosted using Zoom and organised through the Mighty Networks community space
- Participants will also receive weekly emails directing them to the relevant learning content for the week as well as where and how to access further support

We have carefully selected these platforms for ease of use and to best support all of our participants with a step by step onboarding process together with user guides to ensure everyone has equal access opportunity.

From the extensive work that we do with ambitious women entrepreneurs, we know how important it is to provide these women with both the flexibility and reach of online learning experiences and network, thus helping them to create opportunities for these women to connect in real life. Our platforms allow the incubator to be delivered online, whilst also allowing participants to connect with others local to them and to set up their own 'in-real-life' events. This design allows us to meet one of the Government's key recommendations on fuelling the economic growth of women founded businesses (increasing support locally, through relatable and accessible mentors and networks" - Alison Rose



Review of Womens Entrepreneurship, 2019).

All of our content and delivery methodologies are designed in line with our four core design principles:

Radikl know-how – provide access to learning opportunities which short-cut learning, avoid mistakes and more quickly move their businesses forwards. This can be seen in the content of the module and workshop programme

Radikl connection – increase the network reach of women entrepreneurs. We know that being in the company of entrepreneurs at a similar stage to you fuels confidence and aspirations. This is realised in the group workshops and online community space.

Radikl inspiration – By hearing the stories of women entrepreneurs just a couple of steps ahead (rather than millions of pounds ahead) they are more likely to be fueled to take action and believe it's possible for them. This is especially important for gender intersectionality - race, ethnicity, disability, neurodivergence and the LGBTQ community. We share these stories in our Community and via our Kitchen Table Interviews and through The Radiklist podcast.

Radikl kindness – creating businesses that focus on purpose, planet and people as well as profit. This is a central theme through the course content and is included as a part of the initial needs analysis conversation with each participant. We also place value on the need to recognise yourself and your team as the greatest asset within your business and therefore the need to prioritise self-care.

The Incubator Programme ensures fair and equal access to all participants as this is specifically reviewed in the initial needs analysis, therefore creating a programme that has greater diversity and reach than typical Incubator programmes might otherwise attract.

#### 1e Who will be the beneficiaries of the project?

The Highlands has a good self-employed population, with over 15k, however the area's start-up numbers are significantly more bleak with only approx. 1,000 registering within a decade. The Highlands is calling out for more investment into the start-up community to promote greater numbers and enable sustainability.

There aren't 2020 numbers for start-up to report a gender split but we know that in 2020 twice as many women were starting a business as they were in 2019 as a result of Covid-19. As those businesses enter their 2nd year of trading, it is now essential to fuel those businesses so that they are able to sustain and grow their revenue opportunities.

This programme has been designed for women entrepreneurs who are seeking to grow their businesses up to recurring revenues of between £50k-£250k in the next 12 months. This is important not only to maintain the needs of their own homes and families, but also so that they might positively impact the economic recovery of The Highlands felt by both the impacts of Covid19 and Brexit.

#### 1f Where will the activities take place?

Activities run by we are radikl will take place online in order that those women in the programme are able to access the learning at a time and place that is convenient for them – we know that this is a critical factor of this Incubator Programme. The BEIS research paper number 7 into Business Incubators and Accelerators highlights that Incubator Programmes are often centered in London and at the time of publication, there were only 7 online Incubator Programmes which limits reach, impact

and further underserves an already overlooked population of entrepreneurs.

This Incubator allows us to bring industry experts, into the virtual homes of the participants (we know that prior to Covid19, 75% of women entrepreneurs build their businesses from their kitchen table and our whole proposition is designed on this insight.) This incubator generates important conversations between ambitious women who will both fuel and support each other through their growth journeys.

“Just a note to say thanks from me for your support this year - the introductions you've made and the stretch/challenge you've provided via the accelerator have been really valuable. Things are looking good for me, having now hit my £10k target revenue each month for three months and being 75% of the way there into Q2 - a great place to be if I think back to where I was in April. I feel excited if a little overwhelmed at the scale of what I could achieve next year and look forward to continuing our work together.” – Natasha, we are radikl member

Our Programmes have a 94% retention rate, with just one participant who decided to withdraw as her son was hospitalised for surgery. We of course, supported this decision as her focus and energy was needed elsewhere but we hope to support her again in late 2021.

The women taking part will also be empowered and encouraged to establish their own local networks and when they are able to, to establish in-real-life events that can be organised easily through the we are radikl community platform.

We'd welcome conversations with Business Hubs in The Highlands to facilitate those real life meet-ups and bring those women who might not typically seek traditional business support into the Highlands business community.

1g When will the project start?	02/08/2021	When will the project end?	31/03/2022
1h Which places (district or unitary areas) will benefit from the activity?			
Local Authority Area		Approximate percentage of activity / expenditure	
Highlands Council		100%	
Click or tap here to enter text.		Click or tap here to enter text.	
Click or tap here to enter text.		Click or tap here to enter text.	
1i What are the key milestones for the development and implementation of the project?			
<b>Milestone</b>			<b>Target Month</b>
Confirm and contract the delivery team for both Cohorts			Aug 2021
Marketing activity and partnership outreach to recruit for Cohort 1. Marketing activity to recruit for Cohort 2 will begin in Nov/Dec 2021.			Aug 2021

Onboard participants onto our software platforms and roll out the need analysis survey for Cohort 1. Onboarding for Cohort 2 will begin in Dec 2021.	Aug 2021
Full evaluation of the programme and outcomes	Mar 2022

## Part 2 – Project Impact

For questions 2a-2d, please describe in 500 words or less per question. Please be as concise as possible.

2a What will be the short and long term benefits of the project on its beneficiaries and the wider community?

It has been widely reported that women are amongst the hardest hit from Covid19 with some reports suggesting that women will be set back 30 years as a result of a downturn in their social and financial positions.

This programme specifically targets women who want to grow their businesses recurring revenues to between £50k - £250k pa. Alongside this, if these businesses follow the trend that we see in our other programmes, approx. 34% of businesses should also be considering new funding and investment routes that further fuels their growth plans.

The short term benefits of this incubator programme is that women will immediately access a programme which has been specifically designed with the needs of women business owners in mind. The incubator programme allows these women to start to plan for and take action on how they will grow and sustain the businesses, with a view on economic sustainability.

By supporting these entrepreneurs to achieve the below goals, we will see an increase in confidence, self-belief and know-how resulting in an increase in business survival rates and growth rates. The longer term impacts of this focus is that these businesses will not only contribute to the local ????? economy through taxes and contributions, but they will also see greater employment rates and investment in other small businesses as these women begin to grow their teams.

Incubator goals:

- clearer on the growth potential of her business
- more confident as an entrepreneur & in her ability to manage growth
- clearer on her financial goals & be able to use more financial data to make decisions
- more connected to other entrepreneurs
- using new frameworks to grow her business

“I’m very grateful and happy to be welcomed and just want to say.. this week already has been a very different week for me working from home because of what I’ve learnt about myself just in completing part one of your course. What an invaluable process. Thank you for taking the time to help women in business to develop & grow.” – Annette Bryan, we are radikl member

"I'm very happy and proud to be part of this community, there is something to be said by surrounding yourself with like-minded people. I'm no longer fearful to show my vulnerability because I wear it like a super-power. There is some stuff I'm not brilliant at, but that's ok - I'm excellent at lots of other stuff and this space has given me the confidence to move forward." Maxine – we are radikl member

## 2b How does the proposal align with local needs and long-term strategic plans for local growth?

The acute effects of Covid-19 have been felt UK wide, especially in rural and coastal areas of the country, our programme hopes to creatively encourage scale-up opportunities within the Highlands community, re-imagining the economic outlook post pandemic, boosting entrepreneurship within women and create thriving businesses and communities.

Innovative entrepreneurialism can play a significant role in Highlands where a scale-up ecosystem and need to improve the resilience of organisations, in order to increase job creation, is a vital element to the regions economic recovery. We understand the need to increase job prospects and stability within these roles in the area. That's why our incubator focuses on the sustainable growth on businesses.

Supporting women, and women from diverse backgrounds, to grow sustainable businesses not only positively impacts the business owner by increasing her financial independence but it also positively impacts the rest of the community. There is a wealth of studies to show that women owned businesses heavily give back to their local community and therefore add value across the local regions sharing monetary value, skills, inclusivity and experience.

The we are radikl Incubator supports women to reach at least £50k revenue with a view to reach revenue growth upto £250k per annum. This targeted incubator programme is based on Design Thinking methodology which is the first of its kind in the UK. It means that there are bespoke elements of the programme which are unique to the business owner taking part (through 121 business coaching via the radikl Community) that results in the impacts of the programme being far higher than industry standard with a 94% completion rate. 34% of businesses that have been through the we are radikl Incubator programme go on to seek formal funding and investment through the SEIS and EIS schemes, further increasing their chances of growth. In 2018-19 nearly 2,000 businesses in the UK secured funding through SEIS raising funds worth £163m. By supporting women to build financially sustainable businesses, they are more likely to consider future investment opportunities which in turn brings wealth, employment and upskilling opportunities into the local Highland economy.

The growth of successful women business owners also has the added impact of fuelling the ambitions of other women and underserved groups in the local area as there is an increased mix of diversity of role models, whilst this is another key finding from the Alison Rose report.

## 2c How does the project support the Government's Net Zero ambitions or wider environmental considerations? (This is not a requirement for employment support proposals)

This incubator programme will be delivered online and so has a minimal environmental impact.

## 2d How does the project demonstrate innovation in service delivery?

This Incubator Programme is the only one in the UK created for women entrepreneurs using Design Thinking Methodology as it's learning pedagogy. Using all of the research and insights we've gathered over the last 2.5 years (and which we continue to gather), everything from the language we use, the technology we deliver through, the timing of the programme and the team who delivers it has been carefully tested and then crafted into a powerful Incubator programme available only to women.

Through regular survey's and all of our conversational contact points and participant engagement, we're able to continually assess the programmes impact and design adjustments into the programme in a very agile way.

We use software platforms that are able to track progress, evaluate participation and gather insights which further allow the we are radikl team to manage the experience of each individual on the programme. Whilst Design Thinking methodology means that no two programmes are exactly the same, this also means that for the participant, their experience is unique to them which in turn increases their confidence to take action and build profitable, purposeful businesses.

"I just wanted to do a bit of a shout out to Claire and Sarah with regards to your courses. They are all brilliant - easy to access, to digest, they made me stop and really think, helped spark some great ideas, take solid actions and made me more informed." Rachel Jackson – we are radikl member

Innovation is at the heart of we are radikl. As well as delivering the incubator programme, we've taken over 1000 women through our How to Start Your Start-Up Programme, our 12 month Accelerator Programme is oversubscribed and we're the only organisation in the UK to have created and delivered a Co-Founders Programme.

## 2e Which groups will your UK Community Renewal Fund project target?

*Please describe below and complete Annex A – Project Impact Indicators*

This project targets 40 women-owed small/micro businesses who have been established since 2019. The project will help them to sustain and grow their businesses to generate revenue of £50k - £250k per annum.

## 2f Please describe how you have considered the equalities impacts of your proposal, the relevant affected groups based on protected characteristics, and any measures you propose in response to these impacts.

The Incubator programme has been designed to take steps towards addressing the gender inequality that exists within entrepreneurship and investment in the UK. With only 1% of VC funding going to women-founded businesses and 0.02% going to black, women-founded businesses significant changes are needed.

This need has been further exacerbated as a result of Covid19 as typically women have taken on

more care responsibilities and have been more likely to have lost their job over this period. By positively focussing on women through this programme, women founders will more quickly build their businesses and therefore realise all of the financial and social benefits already described in this application.

It is also important to us that we take action to ensure that the reach of the Incubator programme is inclusive to women of colour, women living with disabilities, women who are neurodivergent, women and people in the LGBTQ community and women facing financial hardship.

Through our targeted marketing activity and through a partnership outreach programme to local business hubs, library services and community groups, we will proactively and positively position the Incubator Programme to ensure that the participants are representative of the diverse community of The Highlands and are provided with equal opportunity to participate.

**2g What UK Community Renewal Fund Outcomes will the project deliver?**

*Please describe below and complete Annex A – Project Impact Indicators*

Our project will deliver on the 'Investment attracted as a result of support' outcome, by supporting 40 women-led, small businesses in the Highland region. By supporting their sustainability and growth ambitions we hope to develop these businesses, some of which will seek investment. As previously stated 34% of our participants reach funding/investment ready levels in the first two years trading.

**2h How have the outcomes been estimated?**

With an adult female population estimated at approx. 230k women in the Highlands and understanding that the rate of women-led start-up businesses have continued to increase significantly in the last decade in in 2020 resulted in a start-up rate of one in five women (as reported by Small Business Britain), we could estimate that in fact approx. 30k women has recently started a business. This gap between registered businesses and those that we can estimate is typical across the UK as women are less likely to resgister their businesses, less likely to seek traditional support and so more likely to remain to some degree, invisible to their local area.

Therefore targeting 40 women who have ambitions to grow quickly feels like a realistic and achievable target as we will be able to find and connect with both women who are visible to the Highland support network and with women who have not yet sought traditional business supportand who are looking for something different.

**2i Would you expect to achieve any of these outcomes without UK Community Renewal Fund support?**

We feel the fund is essential in us meeting our projected ambitions to support women entrepreneurs UK wide. The Incubator Programme would typically cost £1,650 per participant, this is usually independently funded and can therefore limit uptake, even with some participants being able to access grants that pay up to 25% of the programme fees.

With the support of the UK Community Fund, the reach of this programme can be far wider. In 2019, the UK government made a pledge to support 600 thousand women to start and grow their businesses in the UK which would have an economic benefit of £250bn by 2030. We are radikl wants to work

alongside this initiative and support a vast number of women in the sustainability phase of their business. By helping them to move past initial start-up and to grow businesses that may go on to access further funding opportunities via SEIS or EIS in the future is so exciting to us.

Through the UK Community Fund, we are radical aims to support 600 women led businesses across the UK to sustain their businesses over the coming 12 months and beyond, and to have implemented strategies and business models to set growth targets of between £50k - £250k. In the Highlands we want to support 40 women to achieve this business milestone.

### Part 3 - Funding Package

3a How much UK Community Renewal Fund investment is sought?

*Please also complete Annex B – Funding Package and Profile*

£92,750 total project costs

3b Does the funding package include any match funding? If so, how much?

When will any funding that is not in place be secured?

There is no match funding being sought to deliver this programme.

3c What will the funding package be spent on?

40 Incubator participants @ £1,650 each – this includes the support and delivery of the entire 12 week programme + 3 months access to the radical community

Targeted marketing @ £4,000 per cohort

Project administration and reporting @ £3,000 per cohort

Dedicated financial software and accountancy support @ £2,750

Project evaluation and assessment conducted both internally and by an external third party @ £10,000

3d How has the overall budget been estimated, what has been done to test that it is accurate, how would any unexpected costs be managed?

We have been running eLearning Incubator and Accelerator Programmes for women-founded businesses for over 2 years and so have tried and tested all of the design elements and costs associated with this programme.

The Incubator content will be pre-loaded into our learning platform and our faculty has already been approached to agree and secure their time across the duration of the Incubator Programmes. Our platform costs are known to us and have been calculated as a part of the total Incubator Programme costs.

Marketing specific activity to recruit for each cohort will be established with a total marketing budget coded into the programme of paid activity which ensures that these can't be exceeded.

These projects will be managed through a platform called Dubsado where all aspects particular to this project will be managed, including financial management to budgets, and oversight of delivery across milestones.

Finally, we produce reporting and administration support for our current partnerships and so have been able to calculate the likely level of support required per Incubator Participant. We are also willing to enter into a Funding Agreement, for the total value of the programme and include a conditional clause that places any additional and unknown costs with we are radikl rather than seeking additional compensation.

#### **Part 4 – Project Applicant Experience and Capacity**

Please limit your responses to each question to 250 words or less. Please be as concise as possible.

##### **4a What experience does the organisation have of delivering this type of activity?**

We are radikl has been delivering online learning programmes for women business owners for 2.5 years. We've taken over 1000 women learners through one of our short programmes introducing women to entrepreneurship. We've also taken 22 women through our immersive 12-month accelerator programme, a course that advances on the 3 month incubator learning and welcomed these amazing women into our online community.

Founders, Sarah and Claire, are both heavily involved in the oversight of delivery of the programmes and use online surveys, pulse point check-ins and conversation with the women we're supporting to ensure that the programmes are having the impact that they have been designed to have.

We have been delivering these programmes both for our own community but also for Inspire Learning, library services based across Nottinghamshire and Suffolk Libraries who provide learning experiences for their communities. We are also establishing a partnership with SINC (Sussex Innovation Centre) to deliver an Entrepreneurial Programme of support and events across Croydon and Brighton over 2021 and 2022.

As well as working with public sector organisations, we've also supported Tide Bank and The Access Group to deliver a series of online webinars focussed on moving Self Limiting Beliefs out of the way and Creative Confidence, vital skills in the world of entrepreneurship.

We have extensive access to a network of experienced facilitators, leading industry experts and business coaches who deliver under the radikl brand and who are aligned to our core values and vision.

##### **4b Describe the resources (e.g. staff) the organisation has available now to deliver the project?**

We are radikl has a core team of 6 women whos responsibilities and roles we've previously described.



Also, as previously described, we have access to a broad reach of highly skilled and experienced trainers and facilitators who support the delivery of we are radikl programmes as required and who we have already reached out too to assess appetite to deliver this programme if our application is successful. We're delighted that the opportunity is as exciting to them as it is for us.

The core content of the programme will be run online and based on the insights we've gathered from 2.5 years of working with women entrepreneurs, will be self guided to maximise it's flexibility and impactfulness. This means that the demand on personnel resources can be more easily managed and maintained throughout the duration of the programme.

If for any reason, a member of the team is not available to deliver or facilitate live participant workshops then we have pre-recorded content and workbooks that we can quickly access if we are unable to find an alternative member of the team to step in. Should we miss any live elements of the Programme, these will be rescheduled to a convenient time for the participants.

**4c If the organisation will have to recruit staff or appoint contractors what plans are in place to manage the risk of delay?**

We have access to a wide pool of learning providers, coaches and facilitators who are already known to we are radikl and before placing this application, we have already reached out to our faculty to provisionally secure their time prior to the start of the Incubator in order to anticipate and mitigate any risks to recruitment.

In order to support and facilitate the live workshop elements, if our application is successful then within 10 business days we will reach out into our network to secure the necessary additional resources to deliver the programme.

**4d Describe the systems and processes that will be used to ensure only costs directly related to the project will be included in grant claims.**

The marketing recruitment for each cohort, the administration of each cohort and the final evaluation of each cohort will be confirmed at a set cost which ensures that there is no scope creep and therefore increased costs passed back to Highland Council.

We will use Facebook Advertising Manager and Google Ads Manager to track and control our paid advertising costs.

An hour of administration and reporting time per month per participant will be ringfenced and secured via our administration team.

The cost of the Programme per participant has a set cost of £1,650 which includes the delivery of the entire 12 week Incubator Programme and 3 months access to the radikl community where further support can be accessed. No additional charges will be applied.

We will also use a platform called Dubsado to manage the oversight of the project to include all financial and legal aspects. We'll hold monthly project meetings with the core delivery team to track participant progress, insights and uptake of the cohorts as well as financial monitoring of spend. These will be tracked against the risk log and flagged immediately to you if there is a significant risk.

The final project evaluation has also been detailed as a one off separate cost.

As all costs will be agreed in advance and we will enter into a Funding Agreement, the project costs will be known to all parties.

## Part 5 – Project Risk Management

Please limit your responses to each question to 250 words or less. Please be as concise as possible.

### 5a Summarise the key risks to the project in Annex C – Project Risks

The main risks to the project are:

Access to a delivery team – this will be mitigated through early engagement with our core team and Associate network to secure their time contractually.

Unsuccessful outreach programme to recruit the cohorts – will be mitigated through a targeted paid advertising campaign and outreach into local communities via libraries and business hubs.

Technology failure – we use third party software platforms that have an up time of more than 99%, however should these platforms not be available then we will contact and communicate to participants via email, sending all materials via this route instead.

Fear of technology from the participants – we have created a thorough and friendly onboarding experience that guides participants through each step in order that they can access the platforms where we will deliver the programme.

Risk of overspend – we'll use third party platforms to set boundaries for all spend and manage the whole project through Dubsado to ensure it remains on track and on budget.

### 5b Describe the process and that will be used to monitor risk.

Co Founders Sarah and Claire will be responsible for the oversight of the Incubator Programme and will assess, with the delivery team, the overall success of the programme to include a risk log each month in the radikl team meeting.

Any risks that are found to be both high in impact and high in likelihood will be communicated with the Highland Council contact points immediately.

Otherwise we propose that we establish monthly meetings to review progress, insights, share findings and discuss whether an additional or different activity is required to support participants in the Programme.

## Part 6 – Evaluation

6a A key objective of the UK Community Renewal Fund is to try new ways of delivering activity to businesses and people. It is important that projects are robustly evaluated and that learning is shared with others.

Please limit your responses to around 500 words and describe

- how the project will be evaluated, in terms of how it was delivered and its impact on clients
- how the findings of the evaluation will be disseminated

We are radikl is also very keen to explore the impact of Incubators on this newly emerging swell of women led start-up and scale up businesses. Following on from the BEIS commissioned research paper 7 into the National Picture of Business Incubators and Accelerators we propose that we invite both Rochelle Livingstone and Preethi Sundaram to assess the impact of the Programme.

As well as regular surveys, Pulse Points and qualitative insights that will be gathered throughout the programme, we will also include (at the end of each cohort) a detailed assessment and research phase into both the experience and outcomes of the Incubator as well as future growth aspirations and potential funding needs.

The internal assessment will be led by Rochelle Livingstone, Head of Learning for we are radikl – she will assess:

- 1 – whether participants met their Incubator goals and objectives
- 2 – which aspects of the Incubator was most impactful at an individual level
- 3 – how their confidence has changed over the duration of the Incubator
- 4 – the actions they have taken as a result of the Incubator
- 5 – the actions that they have identified and plan to take next once the Incubator has ended
- 6 – how their growth plans have changed as a result of the Incubator Programme
- 7 – how well the Incubator programme was managed and how it might be improved
- 8 – overall value for money

We will also invite Preethi Sundaram to conduct an external research piece into the Incubator programme that will explore:

- 1 – the impact of the Incubator Programme in terms of network, reach and connection both nationally and locally
- 2 – the overall impact of an online Incubator Programme targeted at women who are seeking high growth opportunities in comparison to traditional Incubator programmes
- 3 – the appetite of these businesses to seek funding or investment opportunities
- 4 – the impact of these business on their local communities and economies
- 5 – how the progamme influences mindset and therefore their bigger picture plans for their businesses
- 6 – how the Incubator can be futher improved to add more value or have greater impact

These evaluations will take place as both surveys and feedback sessions and also as a series of individual interviews and conversations.

We will present these findings to the Highland Council and interested parties regionally and nationally in the form of a written report and recorded 'snapshot' video content. The report will include a series of recommendations to enable future business and economic impact in the Highland's and to meet the Government's objectives in the growth rate of women-founded businesses.

## Part 7 – Subsidy Control

All bids must also consider how they will deliver in line with subsidy control (or State Aid for aid in scope of the in Northern Ireland Protocol) as per UK Government guidance: <https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities>

7a Does any aspect of the project involve the provision of subsidies (or State Aid)?	No
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7b If yes, briefly explain how the subsidies or state aid are compliant with the UK’s subsidy control regime as set out in the guidance.

Click or tap here to enter text.

**Part 8 - Branding and Publicity**

Guidance on the branding and publicity requirements for the UK Community Renewal Fund is set out in the Fund Technical Note for Project Deliverers.

8a Please confirm that you have read and will comply with all aspects of the Fund branding and publicity requirements.	Yes
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**Data Protection**

Please note that the Ministry for Housing Communities and Local Government (the Department) will be a Data Controller for all UK Community Renewal Fund-related Personal Data collected with this form and submitted to the Department, and the control and processing of Personal Data.

Mayoral Combined Authorities, the Greater London Authority, County Councils or Unitary Authorities, have been designated as a ‘Lead Authority’ in Great Britain for the UK Community Renewal Fund. Each Lead Authority has been invited to run a local bidding process and will be a Data Controller for all UK Community Renewal Fund related Personal Data collected with the relevant forms as part of this process, and the control and processing of Personal Data, where such applications are not submitted to the Department for consideration.

The Lead Authority (in Great Britain) and the Department will processes all data according to the provisions of the Data Protection Act 2018 and the UK General Data Protection Regulation 2018 (UK GDPR) all applicable laws and regulations relating to processing of Personal Data and privacy, including, where necessary, the guidance and codes of practice issued by the Information Commissioner and any other relevant data protection regulations (together “the Data Protection Legislation (as amended from time to time)”).

As a Processor of UK Community Renewal Fund-related Personal Data your organisation and the Lead Authority (when acting in Great Britain) must ensure that such Personal Data is processed in a way which complies with the Data Protection Legislation (as amended from time to time).

By proceeding to complete and submit this form, you consent that the Lead Authority (in Great Britain) and its contractors where relevant, and the Department, and its contractors where relevant, may process the Personal Data that it collects from you, and use the information provided as part of the application to the Department for funding from the UK Community Renewal Fund, as well as in accordance with its privacy policies. For the purposes of assessing your bid the Department may need to share your Personal Data with other Government departments (such as the Department for Work and Pensions) and departments in the Devolved Administrations and by submitting this form you are agreeing to your Personal Data being used in this way.

Data Controller, Personal Data, Personal Data and Processor all have the meaning given to them in the Data Protection Legislation (as amended from time to time).

**You can find more information about how the Department deals with your data here:**

<https://www.gov.uk/government/publications/uk-community-renewal-fund-prospectus>

## Part 9 - Project Applicant Statement

I declare that I have the authority to represent the project applicant in making this application. I understand that acceptance of this application form by the Lead Authority (in Great Britain) or the Ministry for Housing Communities and Local Government (the Department) does not in any way signify that the project is eligible for funding under the UK Community Renewal Fund or that any such funding has been approved towards it.

On behalf of the project applicant and having carried out full and proper inquiry, I confirm to the Lead Authority (in Great Britain) and the Department that:

- the project applicant has the legal authority to carry out the project; and
- the information provided in this application is accurate.

I also confirm to the Lead Authority (in Great Britain) and the Department that:

I have informed all persons whose personal information I have provided of the details of the personal information I have provided to you and of the purposes for which this information will be used, and that I have the consent of the individuals concerned to pass this information to you for these purposes;

I consent to the Personal Data submitted with this form being shared as set out in this form and in accordance with the Lead Authority's Privacy Policies (in Great Britain) and the Department's Privacy Policies;

I shall inform the Lead Authority (for Great Britain projects) if, prior to any UK Community Renewal Funding being legally committed to the project applicant, I become aware of any further information which might reasonably be considered as material to the Lead Authority or the Department in deciding whether to fund the proposal;

For Northern Ireland projects, I shall inform the Department if, prior to any UK Community Renewal Funding being legally committed to the project applicant, I become aware of any further information which might reasonably be considered as material to the Department in deciding whether to fund the proposal;

Any match funding that has been set out in part 3 will be in place prior to any award of UK Community Renewal Funding; and

I am aware that if the information given in this application turns out to be false or misleading, the Lead Authority (where relevant) or Department may demand the repayment of funding and/or terminate a funding agreement pertaining to this proposal.

I confirm that I am aware that checks can be made to the relevant authorities to verify this declaration and any person who knowingly or recklessly makes any false statement for the purpose of obtaining grant funding or for the purpose of assisting any person to obtain grant funding may be prosecuted. A false or misleading statement will also mean that approval may be revoked and any grant may be withheld or recovered with interest.

I confirm that I understand that if the project applicant commences project activity, or enters in to any legally binding contracts or agreements, including the ordering or purchasing of any equipment or services before the formal approval of the project, any expenditure is incurred at the organisation's own risk and may render the project ineligible for support.

For and on behalf of the project applicant Name:	Charlotte Buggy		
Position	Commercial Development	Date	<b>07/05/2021</b>

## Annex A – Project Impact Indicators

1a Which groups will your UK Community Renewal Fund project target?

Main Indicator	Indicator Subset	Target Group	Number
People	Economically Inactive	Choose an item.	Click or tap here to enter text.
	Unemployed	Choose an item.	Click or tap here to enter text.
	Employed	Choose an item.	Click or tap here to enter text.
	Total		Click or tap here to enter text.
Businesses	Small <sup>1</sup>	<b>Yes</b>	<b>40</b>
	Medium <sup>2</sup>	Choose an item.	Click or tap here to enter text.
	Large <sup>3</sup>	Choose an item.	Click or tap here to enter text.
	Total		Click or tap here to enter text.
Organisations	Public	Choose an item.	Click or tap here to enter text.
	Private	Choose an item.	Click or tap here to enter text.
	Voluntary Sector	Choose an item.	Click or tap here to enter text.
	Total		Click or tap here to enter text.

1b What types of support will you provide via your UK Community Renewal Fund project?

<sup>1</sup> <https://www.legislation.gov.uk/ukpga/2006/46/section/382>

<sup>2</sup> <https://www.legislation.gov.uk/ukpga/2006/46/section/465>

<sup>3</sup> Any business that does not qualify as a small or medium business

Main Indicator	Indicator Subset	Proposed Support Type	Number
Direct support	1 to 1	Yes	40
	1 to many	Yes	40
Financial Support (£s)	Grant	Choose an item.	Click or tap here to enter text.
	Voucher	Choose an item.	Click or tap here to enter text.

1c What UK Community Renewal Fund Outcomes will the project deliver (see Technical Note for Project Applicants and Deliverers for details)?

Outcome	Total
Investment attracted as a result of support	£600k
Innovation plans developed as a result of support	40
Click or tap here to enter text.	Click or tap here to enter text.

### Annex B – Funding Package and Profile

	Amount		
(a) UK Community Renewal Fund Requested	£	£92,750	
(b) Other Public Funding	£	In place	Choose an item.
(c) Private Funding	£	In place	Choose an item.
(d) Total Project Costs (a+b+c)	£	£92,750	
Expenditure Profile. How much will be spent in:			
Jul – Sept 2021	£	£39,750	
Oct – Dec 2021	£	£23,500	



Jan – Mar 2022	£	£29,500	
<b>Total</b>	£	Must equal (d) £92,750	
How much of the budget will be spent on capital costs?	£	0%	
If the project will deliver under more than one of the UK Community Renewal Fund's investment priorities, please estimate how much will be spent under each theme			
Investment in skills	0%	Investment for local businesses	100%
Investment in communities and place	0%	Supporting people into employment	0%

## Annex C – Project Risks

### Project Risk Management

Please be as concise as possible.

Summarise:

- the key risks to the delivery and success of the project
- who is responsible for managing the risk, the Owner
- the probability of the risk occurring, is it high, medium or low?
- what would be the impact of the risk, high, medium or low?
- The mitigation plans in place to manage the risk occurring or to deal with the risk if it does occur

<b>Risks Description</b>	<b>Owner</b>	<b>Probability (H,M,L)</b>	<b>Impact (H,M,L)</b>	<b>Mitigation</b>
<b>Access to delivery team</b>	<b>Sarah King</b>	<b>L</b>	<b>H</b>	<b>Early engagement and contracting to secure resources</b>
<b>Unable to recruit for the cohort</b>	<b>Stephanie Chosen</b>	<b>M</b>	<b>H</b>	<b>Targeted paid advertising campaign and local outreach programme</b>
<b>Technology platform failure</b>	<b>Claire Dunn</b>	<b>L</b>	<b>H</b>	<b>Chosen platforms with above 99% uptime. Attain email addresses in case all platforms are unavailable</b>
<b>Participant fear of technology</b>	<b>Rochelle Livingstone</b>	<b>M</b>	<b>M</b>	<b>Easy to access, friendly user guides to onboard new participants</b>
<b>Risk of overspend</b>	<b>Claire Dunn</b>	<b>L</b>	<b>M</b>	<b>We'll use third party platforms to set boundaries for all spend and manage the whole project through Dubsado to ensure the project remains on track and on budget.</b>
Click or tap here to enter text.	Click or tap here to enter text.	Choose an item.	Choose an item.	Click or tap here to enter text.

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Click or tap here to enter text.	Click or tap here to enter text.	Choose an item.	Choose an item.	Click or tap here to enter text.

## Annex D – General Guidance for Completing the Application Form

The application must be completed and submitted in Word.

Provide describe the project as simply as possible. Do not use technical terms, explain any acronyms. If an assessor cannot understand the project it cannot be assessed against the selection criteria and the bid will be rejected.

Some sections of the form contain guidance on the number of words to be used. Additional information and text in excess of any limits will not be considered. If possible use fewer words. The assessment of bids will be based on the information provided in the Application Form only. **Do not attach appendices or include links to websites.**

The UK Government will not contact bidders to clarify any aspect of submitted bids.

### Part 1 - Project Summary

Full details of the investment priorities are set out in the Prospectus. Bids must demonstrate how they align with at least one of the priorities.

If the proposed project intends to deliver under more than one priority, provide an estimate of the percentage of funding that will be spent under each priority in Annex B – Funding Package and Profile.

**1 b – 1 f** Clearly explain what the project intends to do and how it will be done. Be as straightforward as possible. If it helps to use diagrams these can be inserted into the application. When reviewing your bid consider the following questions from the point of view of someone who knows nothing about the organisation or the project:

- is it clear what the project would do?
- is it clear who will deliver the activities, who is involved and their roles?
- is it clear how, when and where the project will be delivered (ie. will the project deliver one to one support, one to many events/activities, will it be delivered in a specific location, on business or personal premises)?
- is it clear which individuals and businesses will benefit from the project, is there a focus on certain groups of people or types of businesses?
- is it clear how the project activities reflect the investment priorities?

If the project will work with people or businesses, you can summarise the customer journey using a flow chart showing specific project activities. A logic model or theory of change may also help explain your proposal.

**1 h.** List the local authority areas that may benefit from the project. For projects working with people or businesses this should be based on the location of the intended beneficiaries. In Great Britain, the relevant local authority area is as set out in the [list of places](#).

A project may be delivered in a single area or cover several areas. A project may operate in all parts of a local authority area or focus on particular locations.

**1 i.** These key milestones must link to the proposed activities and demonstrate that the project is deliverable by 31 March. Do not include milestones relating to the approval of the bid. Consider:

- securing internal approvals for the project or any other funding
- establishing the project team
- procurement for external services/suppliers
- project launch and recruiting beneficiaries
- key points on the beneficiary journey

Projects will be monitored against these milestones.

## **Part 2 - Project Impact**

**2 a.** Consider the impact on the beneficiaries and what the organisations involved in delivering the project hope to learn from it. Summarise the objectives of the project. These should be specific, measurable, achievable and time constrained. Set out how the project responds to any market failure or delivery inefficiency.

In part 5 explain how performance against these objectives will be evaluated.

**2 b.** Describe how the project activities and expected impacts contributes to local priorities set out in local plans. When lead authorities invite bids, they will identify the key local growth priorities they have chosen to focus on.

**2 c.** This section is not a requirement for bids submitted entirely under the ‘supporting employment’ investment priority. Projects under the employment investment priority will not be disadvantaged during the assessment and prioritisation of bids because this criterion does not apply.

Explain how the project would contribute to the UK Government’s Net Zero or wider environmental considerations. Projects should be based on low or zero carbon best practice, adopt and support innovative clean tech where possible and support the growing skills and supply chains in support of Net Zero where possible.

As a minimum projects should meet the clean growth principle and must not conflict with the UK's legal commitment to cut greenhouse gas emissions to net zero by 2050.

**2 d.** Describe how the project demonstrates innovation in service delivery for example:

- introducing new delivery approaches
- new integrated approaches across policy themes or
- collaboration across areas
- testing existing approaches with different types of beneficiaries
- new ways of using digital technology to support beneficiaries

Trying new ways of working is riskier and in some cases can be more expensive than established ways of working. This will be taken in account during the assessment and prioritisation of bids and during the monitoring of successful projects.

**2 e.** Complete Annex A of the application – Project Impact Indicators.

Provide any further information on the groups or sub-groups of people or businesses the project would work with. Describe how the number in each group has been estimated.

**2 f.** The UK Government is required to consider equalities impacts in line with the Equality Act 2010. This questions helps us understand how equality considerations have shaped the design of the project and the extent to which [groups with protected characteristics](#) have been considered and any mitigations proposed. It does not form part of the assessment process.

**2 g/h.** Complete Annex A of the application. Provide any further information on project outcomes and explain how the figures have been estimated. For example, explain the relationships between the number of intended final beneficiaries and the outcomes you intend to achieve?

Projects will be required to report on the number and type of beneficiaries supported and the outcomes achieved.

**2 i.** Describe what would happen if the bid to the UK Community Renewal Fund is unsuccessful. Would the project proceed on a smaller scale, would the activities be undertaken in a different way or at a later date, or would none of the activities occur?

### **Part 3 - Funding Package**

**3 b.** Match funding is any funding other than funding from the UK Community Renewal Fund that will be used to meet project costs. This includes from the project applicant or other organisations

including income from beneficiaries. Please set out who match funding will come from, where relevant.

If the project relies on match funding and it is not secured, explain when it is expected to be secured and what the impact would be if it is not secured.

**3 c.** Summarise the amount that will be spent under the main areas of expenditure. The breakdown must be detailed enough to demonstrate that the funding package and budget is appropriate to the proposed activities and sufficient to deliver the project.

Examples of the types of headings to use are:

- staff costs - salaries and contractual benefits, National Insurance and superannuation contributions
- overheads, at 15% of staff costs
- business travel, subsistence and accommodation
- fees of contractors and consultants
- costs of materials or venue hire
- marketing and publicity costs
- grants provided to end beneficiaries
- training participant costs e.g. allowances, travel expenses
- dependent care costs of training participants
- small items of equipment
- evaluation
- external audit cost (Northern Ireland)

VAT that cannot be recovered from HMRC as part of the VAT system is eligible for support. Estimate the amount of irrecoverable VAT the project would incur in section 3 c.

**3 d.** Describe how the figures provided in section 3 c were estimated. For example

- staff costs of X posts at salaries of £Y pro-rata for Z months of activity
- grants of between £X and £Y at an average of £Z per grant multiplied by the number of expected beneficiaries
- materials at a cost of £X per beneficiary multiplied by the number of expected beneficiaries

Explain what has been done to test the budget is accurate and how any unexpected costs or cost increases would be managed.

## **Part 4 – Project Applicant Experience and Capacity**

**4 a - c.** The deliverability of projects is significant element of the criteria that will be used to assess bids to the UK Community Renewal Fund. It is important that we can have confidence that organisations that are offered funding are able to implement their projects quickly and effectively.

As the UK Community Renewal Fund is seeking innovation and new ways of working it is not essential that applicant organisations have a track record in delivering similar projects. It is however essential that organisations can draw on relevant experience and are able to demonstrate they have or will have access to the resources and expertise they need to deliver the project.

If the project will recruit staff or appoint contractors, this should be included in the project milestones. Describe the contingency plans that are in place to manage the risk if there are delays.

**4 d.** Project costs must be based on the actual expenditure incurred in delivering the project, evidenced through invoices or other transactions. Describe the process and controls the organisation would use to ensure only costs related to the project are included in grant claims.

Describe how the project will manage the risk of the project being defrauded by beneficiaries, contractors or members of staff. If the project involves grants, describe how fraud risk will be managed at key stages of the grant process. UK Community Renewal Fund projects may be selected for audit visits by the lead authority (GB) or the UK Government (GB & NI).

## **Part 5 – Project Risk Management**

Complete Annex C. This should provide a clear summary of the key risks to delivering the project activity and achieving the project's objectives.

**5 b** Describe how the risk identified in Annex C will be monitored, what systems will be used, who is responsible.

Be realistic, projects rarely run exactly as planned. The project must demonstrate that risks have been considered and appropriate plans are in place to keep the project on track.

## **Part 6– Evaluation**

The project's evaluation budget must be set out in part 3 c. of the application. This should be 1-2% of the amount of UK Community Renewal Fund requested, with a minimum threshold of £10,000.

**6 a.** Describe how the project will be evaluated. Evaluation should consider both the impact of the project and lessons from the process of how the project was delivered.

Evaluators should generally be independent of the project and have appropriate evaluation expertise. However, in the case of smaller projects this may not be necessary or cost effective and



an evaluation could be undertaken in-house, in which case it should still be undertaken by someone with the necessary skills and be subject to independent review.

The approach will vary depending on the scale and nature of each project. However, all evaluations are expected to consider the following themes:

- appropriateness of initial design
- progress against targets
- delivery and management
- outcomes and impact
- value for money
- lessons learnt

Describe how the evaluation will be used to inform future activity and how it will be shared with others.

#### **Part 7 – Subsidies and/or State Aid where relevant**

**7 a/b** If the project will provide support to businesses or public / voluntary sector organisations that are operating in a commercial way there is potential for this support to represent a subsidy.

If the project would involve the award of subsidies explain how this will be managed in line with the UK's obligations. For example small scale awards can be managed under the threshold for Special Drawing Rights (or De Minimis where State Aid applies).

If the project provides support to businesses but you feel this does not constitute a subsidy explain why.

#### **Part 8 - Branding and Publicity**

Please confirm that the project will comply with branding and publicity requirements set out in the Fund Technical Requirements and Guidance document. Failure to do so will mean your bid is rejected.



UK Government

## UK Community Renewal Fund Application Form

This form is for project applicants, applying for funding from the UK Community Renewal Fund across the UK. **Annex D in this document includes General Guidance for Completing the Application Form.**

The UK Community Renewal Fund Prospectus, Assessment Criteria, a Technical Note for Project Applicants and Deliverers and Technical Note for Lead Authorities are available [here](#).

The level of information provided should be proportionate to the size and complexity of the project proposed.

### Applicant Information

**Applicant name:** The Highland Council

**Bid Manager Name and position:** Dot Ferguson

*Name and position of officer with day to day responsibility for delivering the project*

**Contact telephone number:** [REDACTED]

**Email address:** [REDACTED]

**Postal address:** [REDACTED]

**Website:** www.highland.gov.uk

**Company Registration Number (where relevant):** Click or tap here to enter text.

**Charity Registration Number (where relevant):** Click or tap here to enter text.

**Senior Responsible Officer contact details:** Click or tap here to enter text.

**Please confirm the type of organisation:**

- Local authority
- Private sector
- Voluntary sector
- University

- FE College
- Other (please specify)  
Click or tap here to enter text.

**Value being Requested (£):50,000**

**The Bid – investment priority**

Please select which investment priority or priorities of the UK Community Renewal Fund are you applying under:

- Investment in skills
- Investment for local businesses
- Investment in communities and place
- Supporting people into employment

**Private and Voluntary Sector Applicants in Northern Ireland.** Please confirm you have attached a copy of the applicant’s latest accounts.

Choose an item.

## Part 1 - Project Summary

1a Project Name

Links to the Water - Fort William

For questions 1b-1f, please describe in 500 words or less per question. Please be as concise as possible.

1b What activities will take place?

The purpose of this grant request is to seek funding for a feasibility and options appraisal study which will identify and cost the optimal route and method of connecting Fort William Town Centre to its Waterfront (Loch Linnhe – a sea loch). Six lanes of traffic have to be crossed to get to the waterfront esplanade (four of which are trunk road dual-carriageway). In a number of community consultations such a crossing has been ranked as a high priority by the community. The feasibility study will consider a range of options including the potential to construct a 'build out' into the water. The options considered as part of the study will include a bridge or crossing at grade. It is recognised that any all options will have to be considered in respect of traffic impacts and consultation with Transport Scotland will be vital to inform the options considered.

1c Who will deliver the activities?

Highland Council will procure the consultants for the feasibility study. The procurement process will ensure that the successful consultants have a strong track record in feasibility, design, engineering, construction and have the project management skills to deliver a robust scheme which will be acceptable to planning and the roads authorities, including Transport Scotland, as well as to the community. If the feasibility study demonstrates that a successful link can be made, then further funding will be sought for implementation.

1d How will the activities be delivered?

The study will be commissioned by the Council. The scope of the study will ensure a high degree of liaison with local businesses, community representatives including young people, landowners (including Crown Estate if relevant) and statutory authorities and will include an equalities impact assessment. This should take the form where appropriate of workshop / on-line sessions, interviews, etc. It is intended that this study should be comprehensive and would incorporate consideration of all-ability access and all active travel modes, the options will consider road design standards and consultation with the roads authorities will be key to evaluation of options. Construction consents will be considered and input from planning service will be included. Where options are considered that have significant risks associated with ground conditions – localised ground investigations shall be undertaken. As part of the options appraisal high level costs including optimism bias shall be prepared in accordance with guidance. The study will evaluate each option – and establish the preferred option, budget, and consenting process. The consultation fee will be capped at £50,000 and the progress to implementation will be determined by the preferred option, potentially achieving tender documentation and shovel readiness – depending on the solution selected.

1e Who will be the beneficiaries of the project?			
<p>Both local people and visitors will be the primary beneficiaries. Local businesses will particularly benefit from increased footfall directly in to the High Street. Current access to the Waterfront is at either end of the dual-carriageway and therefore many visitors who park at the long-stay car parks bypass the High Street entirely. The access to the waterfront will make it easier for people to enjoy walking and cycling with ultimate links to other areas of the town. The town has suffered for many years from the description of the ‘town which turned it’s back on the view’. A hundred years of transport links (initially rail, then road) separated the town from its waterfront and left an uninspiring service road and poorly maintained rear-elevations to front on to the water. Creation of a bespoke bridge could greatly increase pride and therefore the social well-being in a town and can become the symbol of an area – whether Glasgow’s Squinty Bridge or Vietnam’s Golden Bridge (albeit on a lesser scale). A build out into the water will also increase the individual’s connection with the loch and would create a real sense of place. As well as the town centre investment in recent years, there has been considerable investment in attracting cruise ships to the loch as well as more leisure craft, to both Fort William and the nearby Corpach Marina (currently being developed), with its adjacency to the Caledonian Canal.</p>			
1f Where will the activities take place?			
The activities will take place in Fort William, with community consultation being a key element. The successful consultant would be expected to engage directly with communities and businesses.			
1g When will the project start?	02/08/2021	When will the project end?	25/02/2022
1h Which places (district or unitary areas) will benefit from the activity?			
Local Authority Area		Approximate percentage of activity / expenditure	
Highland		100%	
Click or tap here to enter text.		Click or tap here to enter text.	
Click or tap here to enter text.		Click or tap here to enter text.	
1i What are the key milestones for the development and implementation of the project?			
<b>Milestone</b>			<b>Target Month</b>
Procurement and appointment of consultant			Aug 2021
Consultations with all stakeholders including statutory agencies; ground investigations, design works, costings etc			Oct 2021
Delivery of draft costed designs and further consultation as required			Jan 2022
Delivery of final study			Feb 2022

## Part 2 – Project Impact

For questions 2a-2d, please describe in 500 words or less per question. Please be as concise as possible.

2a What will be the short and long term benefits of the project on its beneficiaries and the wider community?

The short term benefit will be an increase in awareness of the town and an increase in civic pride that investment in this long-held aspiration is being actively pursued. Assuming the feasibility study identifies a viable preferred option for a new crossing, these long term benefits will see increased footfall in the High Street, an increase in people walking to and from the High Street, an increase in visitors particularly if the preferred option is an inspiring design of bridge constructed with a build-out in to the loch.

2b How does the proposal align with local needs and long-term strategic plans for local growth?

The crossing to the Waterfront has been identified as a high priority by the community in recent charettes. Investment in the Town Centre has also been a priority for a number of years and almost £1 million of funding has already been invested to create an events area and increase green space in the High Street, making it a more attractive destination. Creating an attractive link through to the waterfront will enhance this and the proposal sits comfortably within the Town Centre plan.

2c How does the project support the Government's Net Zero ambitions or wider environmental considerations? (This is not a requirement for employment support proposals)

Encouraging easier movement of people by walking, wheeling and cycling provides options for sustainable travel, thereby supporting the net zero agenda. This crossing would link with the Fort William Active Masterplan which enables pedestrian movement and reduces reliance on vehicles.

2d How does the project demonstrate innovation in service delivery?

It is expected that the feasibility study will learn from and examine good practice in design, tailoring the best practice to suit the specific circumstances of this project, it will also identify a preferred option aiding in the funding bid for the construction phase. As in larger projects, when actual works begin the successful contractor would be expected to provide community benefits – this could take the form of employment of apprentices etc to ensure learning and

increased skills in the area and to create employment opportunities. The specific inclusion of young people as consultees should ensure fresh thinking into the design.

2e Which groups will your UK Community Renewal Fund project target?

*Please describe below and complete Annex A – Project Impact Indicators*

There will be no specific target groups for this project. The project ultimately aims to benefit all local people and visitors, local businesses and organisations.

2f Please describe how you have considered the equalities impacts of your proposal, the relevant affected groups based on protected characteristics, and any measures you propose in response to these impacts.

It is essential that the study will consult with and fully assess how any crossing to the waterfront and safe use of the build-out can be made fit for all-protected characteristics, and will include an equalities impact assessment.

2g What UK Community Renewal Fund Outcomes will the project deliver?

*Please describe below and complete Annex A – Project Impact Indicators*

**The project will deliver a feasibility study. This study will help to deliver the following outcomes:**

- Innovation plans developed as a result of support- 1
- Investment attracted as a result of support
- Increase in footfall as a result of support
- increase in visitor numbers as a result of support

2h How have the outcomes been estimated?

**The project will deliver a plan to facilitate an innovative solution to a well identified community priority for action. Increased investment, footfall and visitor numbers are highly likely to develop if a new crossing can be put in place. Exact numbers cannot be quantified pre- study, but a greater sense of these will emerge as a result of the study.**

2i Would you expect to achieve any of these outcomes without UK Community Renewal Fund support?

No

### Part 3 - Funding Package

<p>3a How much UK Community Renewal Fund investment is sought?</p> <p><i>Please also complete Annex B – Funding Package and Profile</i></p>
<p>£50,000</p>
<p>3b Does the funding package include any match funding? If so, how much?</p> <p>When will any funding that is not in place be secured?</p>
<p>The funding package does not include any match-funding.</p>
<p>3c What will the funding package be spent on?</p>
<p>The funding package will be spent on the feasibility study which will include the following elements – consultation with the roads authorities, all stakeholders and landowners; topographical surveys, feasibility design, compliance with design standards, method and locations of crossing; preliminary ground investigations; options appraisal including full cost estimates. Part of the grant will be retained for evaluation (estimate £1,500)</p>
<p>3d How has the overall budget been estimated, what has been done to test that it is accurate, how would any unexpected costs be managed?</p>
<p>The budget is based on knowledge of costs from similar consultant commissions.</p>

<p><b>Part 4 – Project Applicant Experience and Capacity</b></p> <p>Please limit your responses to each question to 250 words or less. Please be as concise as possible.</p>
<p>4a What experience does the organisation have of delivering this type of activity?</p>
<p>Highland Council has significant experience commissioning this type of study. Consultants are routinely used for design of capital projects, including roads engineering and structure design.</p>
<p>4b Describe the resources (e.g. staff) the organisation has available now to deliver the project?</p>
<p>If a funding bid was successful, the Council would establish a small team including the Ward Manager, in-house engineers and procurement specialist and procure and project manage the commission.</p>
<p>4c If the organisation will have to recruit staff or appoint contractors what plans are in place to manage the risk of delay?</p>



Staff required are already employed by the Council with resilience built in by additional staff being available

4d Describe the systems and processes that will be used to ensure only costs directly related to the project will be included in grant claims.

A specific project budget code will be established which will only have income and expenditure arising from this project being linked to it. All transactions will be via the Council's Integra finance system.

### Part 5 – Project Risk Management

Please limit your responses to each question to 250 words or less. Please be as concise as possible.

5a Summarise the key risks to the project in Annex C – Project Risks

The key risks are: a) lack of funding to proceed with feasibility study and b) lack of bids for the work

5b Describe the process and that will be used to monitor risk.

a) if no funding, no feasibility study will be commissioned at this time until other funds are identified; b) use of national framework contracts will ensure competition and bids are submitted.

### Part 6 – Evaluation

6a A key objective of the UK Community Renewal Fund is to try new ways of delivering activity to businesses and people. It is important that projects are robustly evaluated and that learning is shared with others.

Please limit your responses to around 500 words and describe

- how the project will be evaluated, in terms of how it was delivered and its impact on clients
- how the findings of the evaluation will be disseminated

The outcome of the feasibility study will be closely scrutinised for 'achievability', hopefully to take it to construction stage. However, there is always the possibility that the outcome of the study may be to conclude that no crossing is achievable – however this is unlikely. The findings will be shared with all stakeholders involved in all stages to ensure they can support whatever the agreed outcome is moving forward. Assuming a preferred option is found, footfall figures would be used as baseline before construction and would be monitored in two subsequent years. 'Before and after' interviews would also be held with stakeholders.

### Part 7 – Subsidy Control

All bids must also consider how they will deliver in line with subsidy control (or State Aid for aid in scope of the in Northern Ireland Protocol) as per UK Government guidance: <https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities>

7a Does any aspect of the project involve the provision of subsidies (or State Aid)?	No
--	----

7b If yes, briefly explain how the subsidies or state aid are compliant with the UK’s subsidy control regime as set out in the guidance.

Click or tap here to enter text.

**Part 8 - Branding and Publicity**

Guidance on the branding and publicity requirements for the UK Community Renewal Fund is set out in the Fund Technical Note for Project Deliverers.

8a Please confirm that you have read and will comply with all aspects of the Fund branding and publicity requirements.	Yes
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**Data Protection**

Please note that the Ministry for Housing Communities and Local Government (the Department) will be a Data Controller for all UK Community Renewal Fund-related Personal Data collected with this form and submitted to the Department, and the control and processing of Personal Data.

Mayoral Combined Authorities, the Greater London Authority, County Councils or Unitary Authorities, have been designated as a ‘Lead Authority’ in Great Britain for the UK Community Renewal Fund. Each Lead Authority has been invited to run a local bidding process and will be a Data Controller for all UK Community Renewal Fund related Personal Data collected with the relevant forms as part of this process, and the control and processing of Personal Data, where such applications are not submitted to the Department for consideration.

The Lead Authority (in Great Britain) and the Department will processes all data according to the provisions of the Data Protection Act 2018 and the UK General Data Protection Regulation 2018 (UK GDPR) all applicable laws and regulations relating to processing of Personal Data and privacy, including, where necessary, the guidance and codes of practice issued by the Information Commissioner and any other relevant data protection regulations (together “the Data Protection Legislation (as amended from time to time)”).

As a Processor of UK Community Renewal Fund-related Personal Data your organisation and the Lead Authority (when acting in Great Britain) must ensure that such Personal Data is processed in a way which complies with the Data Protection Legislation (as amended from time to time).

By proceeding to complete and submit this form, you consent that the Lead Authority (in Great Britain) and its contractors where relevant, and the Department, and its contractors where relevant, may process the Personal Data that it collects from you, and use the information provided as part of the application to the Department for funding from the UK Community Renewal Fund, as well as in accordance with its privacy policies. For the purposes of assessing your bid the Department may need to share your Personal Data with other Government departments (such as the Department for Work and Pensions) and departments in the Devolved Administrations and by submitting this form you are agreeing to your Personal Data being used in this way.

Data Controller, Personal Data, Personal Data and Processor all have the meaning given to them in the Data Protection Legislation (as amended from time to time).

**You can find more information about how the Department deals with your data here:**

<https://www.gov.uk/government/publications/uk-community-renewal-fund-prospectus>

## Part 9 - Project Applicant Statement

I declare that I have the authority to represent the project applicant in making this application. I understand that acceptance of this application form by the Lead Authority (in Great Britain) or the Ministry for Housing Communities and Local Government (the Department) does not in any way signify that the project is eligible for funding under the UK Community Renewal Fund or that any such funding has been approved towards it.

On behalf of the project applicant and having carried out full and proper inquiry, I confirm to the Lead Authority (in Great Britain) and the Department that:

- the project applicant has the legal authority to carry out the project; and
- the information provided in this application is accurate.

I also confirm to the Lead Authority (in Great Britain) and the Department that:

I have informed all persons whose personal information I have provided of the details of the personal information I have provided to you and of the purposes for which this information will be used, and that I have the consent of the individuals concerned to pass this information to you for these purposes;

I consent to the Personal Data submitted with this form being shared as set out in this form and in accordance with the Lead Authority's Privacy Policies (in Great Britain) and the Department's Privacy Policies;

I shall inform the Lead Authority (for Great Britain projects) if, prior to any UK Community Renewal Funding being legally committed to the project applicant, I become aware of any further information which might reasonably be considered as material to the Lead Authority or the Department in deciding whether to fund the proposal;

For Northern Ireland projects, I shall inform the Department if, prior to any UK Community Renewal Funding being legally committed to the project applicant, I become aware of any further information which might reasonably be considered as material to the Department in deciding whether to fund the proposal;

Any match funding that has been set out in part 3 will be in place prior to any award of UK Community Renewal Funding; and

I am aware that if the information given in this application turns out to be false or misleading, the Lead Authority (where relevant) or Department may demand the repayment of funding and/or terminate a funding agreement pertaining to this proposal.

I confirm that I am aware that checks can be made to the relevant authorities to verify this declaration and any person who knowingly or recklessly makes any false statement for the purpose of obtaining grant funding or for the purpose of assisting any person to obtain grant funding may be prosecuted. A false or misleading statement will also mean that approval may be revoked and any grant may be withheld or recovered with interest.

I confirm that I understand that if the project applicant commences project activity, or enters in to any legally binding contracts or agreements, including the ordering or purchasing of any equipment or services before the formal approval of the project, any expenditure is incurred at the organisation's own risk and may render the project ineligible for support.

For and on behalf of the project applicant Name:	Dot Ferguson		
Position	Snr. Ward Manager	Date	<b>29/05/2021</b>

## Annex A – Project Impact Indicators

1a Which groups will your UK Community Renewal Fund project target?

Main Indicator	Indicator Subset	Target Group	Number
People	Economically Inactive	Yes	Feasibility Study- All within local community can benefit
	Unemployed	Yes	As above
	Employed	Yes	As above
	Total		Click or tap here to enter text.
Businesses	Small <sup>1</sup>	Yes	75%
	Medium <sup>2</sup>	Yes	25%
	Large <sup>3</sup>	No	Click or tap here to enter text.
	Total		Click or tap here to enter text.
Organisations	Public	No	Click or tap here to enter text.
	Private	Yes	Feasibility study- all town centre businesses could benefit
	Voluntary Sector	Yes	As above
	Total		Click or tap here to enter text.

1b What types of support will you provide via your UK Community Renewal Fund project?

<sup>1</sup> <https://www.legislation.gov.uk/ukpga/2006/46/section/382>

<sup>2</sup> <https://www.legislation.gov.uk/ukpga/2006/46/section/465>

<sup>3</sup> Any business that does not qualify as a small or medium business

Main Indicator	Indicator Subset	Proposed Support Type	Number
Direct support	1 to 1	No	Click or tap here to enter text.
	1 to many	Yes	<b>Feasibility study- will directly support local community to achieve a stated local priority for community development</b>
Financial Support (£s)	Grant	No	Click or tap here to enter text.
	Voucher	No	Click or tap here to enter text.

1c What UK Community Renewal Fund Outcomes will the project deliver (see Technical Note for Project Applicants and Deliverers for details)?

Outcome	Total
<b>Innovation plans developed as a result of support</b>	<b>1</b>
<b>Investment attracted as a result of support</b>	<b>To be determined post feasibility study</b>
<b>Increased footfall and visitor numbers as a result of support</b>	<b>To be determined post feasibility study</b>

### Annex B – Funding Package and Profile

	Amount		
(a) UK Community Renewal Fund Requested	£	<b>50,000</b>	
(b) Other Public Funding	£	In place	No
(c) Private Funding	£	In place	No

(d)Total Project Costs (a+b+c)	£	50,000	
Expenditure Profile. How much will be spent in:			
Jul – Sept 2021	£	20,000	
Oct – Dec 2021	£	20,000	
Jan – Mar 2022	£	10,000	
<b>Total</b>	£	Must equal (d) 50,000	
How much of the budget will be spent on capital costs?	£	0%	
If the project will deliver under more than one of the UK Community Renewal Fund's investment priorities, please estimate how much will be spent under each theme			
Investment in skills	0%	Investment for local businesses	20%
Investment in communities and place	80%	Supporting people into employment	0%

## Annex C – Project Risks

### Project Risk Management

Please be as concise as possible.

Summarise:

- the key risks to the delivery and success of the project
- who is responsible for managing the risk, the Owner
- the probability of the risk occurring, is it high, medium or low?
- what would be the impact of the risk, high, medium or low?
- The mitigation plans in place to manage the risk occurring or to deal with the risk if it does occur

<b>Risks Description</b>	<b>Owner</b>	<b>Probability (H,M,L)</b>	<b>Impact (H,M,L)</b>	<b>Mitigation</b>
<b>Funding not granted</b>	<b>Highland Council</b>	<b>H</b>	<b>H</b>	<b>Apply for other funds</b>
<b>Tender returns higher than expected</b>	<b>Highland Council</b>	<b>L</b>	<b>M</b>	<b>Attempt to seek additional funding</b>
<b>No bidders for feasibility work</b>	<b>Highland Council</b>	<b>L</b>	<b>H</b>	<b>Use of Public Contract Scotland will reduce risk</b>
Click or tap here to enter text.	Click or tap here to enter text.	Choose an item.	Choose an item.	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap here to enter text.	Choose an item.	Choose an item.	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap here to enter text.	Choose an item.	Choose an item.	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap here to enter text.	Choose an item.	Choose an item.	Click or tap here to enter text.



Click or tap here to enter text.

Click or tap here to enter text.

Choose an item.

Choose an item.

Click or tap here to enter text.

## Annex D – General Guidance for Completing the Application Form

The application must be completed and submitted in Word.

Provide describe the project as simply as possible. Do not use technical terms, explain any acronyms. If an assessor cannot understand the project it cannot be assessed against the selection criteria and the bid will be rejected.

Some sections of the form contain guidance on the number of words to be used. Additional information and text in excess of any limits will not be considered. If possible use fewer words. The assessment of bids will be based on the information provided in the Application Form only. **Do not attach appendices or include links to websites.**

The UK Government will not contact bidders to clarify any aspect of submitted bids.

### Part 1 - Project Summary

Full details of the investment priorities are set out in the Prospectus. Bids must demonstrate how they align with at least one of the priorities.

If the proposed project intends to deliver under more than one priority, provide an estimate of the percentage of funding that will be spent under each priority in Annex B – Funding Package and Profile.

**1 b – 1 f** Clearly explain what the project intends to do and how it will be done. Be as straightforward as possible. If it helps to use diagrams these can be inserted into the application. When reviewing your bid consider the following questions from the point of view of someone who knows nothing about the organisation or the project:

- is it clear what the project would do?
- is it clear who will deliver the activities, who is involved and their roles?
- is it clear how, when and where the project will be delivered (ie. will the project deliver one to one support, one to many events/activities, will it be delivered in a specific location, on business or personal premises)?
- is it clear which individuals and businesses will benefit from the project, is there a focus on certain groups of people or types of businesses?
- is it clear how the project activities reflect the investment priorities?

If the project will work with people or businesses, you can summarise the customer journey using a flow chart showing specific project activities. A logic model or theory of change may also help explain your proposal.

**1 h.** List the local authority areas that may benefit from the project. For projects working with people or businesses this should be based on the location of the intended beneficiaries. In Great Britain, the relevant local authority area is as set out in the [list of places](#).

A project may be delivered in a single area or cover several areas. A project may operate in all parts of a local authority area or focus on particular locations.

**1 i.** These key milestones must link to the proposed activities and demonstrate that the project is deliverable by 31 March. Do not include milestones relating to the approval of the bid. Consider:

- securing internal approvals for the project or any other funding
- establishing the project team
- procurement for external services/suppliers
- project launch and recruiting beneficiaries
- key points on the beneficiary journey

Projects will be monitored against these milestones.

## **Part 2 - Project Impact**

**2 a.** Consider the impact on the beneficiaries and what the organisations involved in delivering the project hope to learn from it. Summarise the objectives of the project. These should be specific, measurable, achievable and time constrained. Set out how the project responds to any market failure or delivery inefficiency.

In part 5 explain how performance against these objectives will be evaluated.

**2 b.** Describe how the project activities and expected impacts contributes to local priorities set out in local plans. When lead authorities invite bids, they will identify the key local growth priorities they have chosen to focus on.

**2 c.** This section is not a requirement for bids submitted entirely under the ‘supporting employment’ investment priority. Projects under the employment investment priority will not be disadvantaged during the assessment and prioritisation of bids because this criterion does not apply.

Explain how the project would contribute to the UK Government’s Net Zero or wider environmental considerations. Projects should be based on low or zero carbon best practice, adopt and support innovative clean tech where possible and support the growing skills and supply chains in support of Net Zero where possible.

As a minimum projects should meet the clean growth principle and must not conflict with the UK's legal commitment to cut greenhouse gas emissions to net zero by 2050.

**2 d.** Describe how the project demonstrates innovation in service delivery for example:

- introducing new delivery approaches
- new integrated approaches across policy themes or
- collaboration across areas
- testing existing approaches with different types of beneficiaries
- new ways of using digital technology to support beneficiaries

Trying new ways of working is riskier and in some cases can be more expensive than established ways of working. This will be taken in account during the assessment and prioritisation of bids and during the monitoring of successful projects.

**2 e.** Complete Annex A of the application – Project Impact Indicators.

Provide any further information on the groups or sub-groups of people or businesses the project would work with. Describe how the number in each group has been estimated.

**2 f.** The UK Government is required to consider equalities impacts in line with the Equality Act 2010. This questions helps us understand how equality considerations have shaped the design of the project and the extent to which [groups with protected characteristics](#) have been considered and any mitigations proposed. It does not form part of the assessment process.

**2 g/h.** Complete Annex A of the application. Provide any further information on project outcomes and explain how the figures have been estimated. For example, explain the relationships between the number of intended final beneficiaries and the outcomes you intend to achieve?

Projects will be required to report on the number and type of beneficiaries supported and the outcomes achieved.

**2 i.** Describe what would happen if the bid to the UK Community Renewal Fund is unsuccessful. Would the project proceed on a smaller scale, would the activities be undertaken in a different way or at a later date, or would none of the activities occur?

### **Part 3 - Funding Package**

**3 b.** Match funding is any funding other than funding from the UK Community Renewal Fund that will be used to meet project costs. This includes from the project applicant or other organisations

including income from beneficiaries. Please set out who match funding will come from, where relevant.

If the project relies on match funding and it is not secured, explain when it is expected to be secured and what the impact would be if it is not secured.

**3 c.** Summarise the amount that will be spent under the main areas of expenditure. The breakdown must be detailed enough to demonstrate that the funding package and budget is appropriate to the proposed activities and sufficient to deliver the project.

Examples of the types of headings to use are:

- staff costs - salaries and contractual benefits, National Insurance and superannuation contributions
- overheads, at 15% of staff costs
- business travel, subsistence and accommodation
- fees of contractors and consultants
- costs of materials or venue hire
- marketing and publicity costs
- grants provided to end beneficiaries
- training participant costs e.g. allowances, travel expenses
- dependent care costs of training participants
- small items of equipment
- evaluation
- external audit cost (Northern Ireland)

VAT that cannot be recovered from HMRC as part of the VAT system is eligible for support. Estimate the amount of irrecoverable VAT the project would incur in section 3 c.

**3 d.** Describe how the figures provided in section 3 c were estimated. For example

- staff costs of X posts at salaries of £Y pro-rata for Z months of activity
- grants of between £X and £Y at an average of £Z per grant multiplied by the number of expected beneficiaries
- materials at a cost of £X per beneficiary multiplied by the number of expected beneficiaries

Explain what has been done to test the budget is accurate and how any unexpected costs or cost increases would be managed.

## **Part 4 – Project Applicant Experience and Capacity**

**4 a - c.** The deliverability of projects is significant element of the criteria that will be used to assess bids to the UK Community Renewal Fund. It is important that we can have confidence that organisations that are offered funding are able to implement their projects quickly and effectively.

As the UK Community Renewal Fund is seeking innovation and new ways of working it is not essential that applicant organisations have a track record in delivering similar projects. It is however essential that organisations can draw on relevant experience and are able to demonstrate they have or will have access to the resources and expertise they need to deliver the project.

If the project will recruit staff or appoint contractors, this should be included in the project milestones. Describe the contingency plans that are in place to manage the risk if there are delays.

**4 d.** Project costs must be based on the actual expenditure incurred in delivering the project, evidenced through invoices or other transactions. Describe the process and controls the organisation would use to ensure only costs related to the project are included in grant claims.

Describe how the project will manage the risk of the project being defrauded by beneficiaries, contractors or members of staff. If the project involves grants, describe how fraud risk will be managed at key stages of the grant process. UK Community Renewal Fund projects may be selected for audit visits by the lead authority (GB) or the UK Government (GB & NI).

## **Part 5 – Project Risk Management**

Complete Annex C. This should provide a clear summary of the key risks to delivering the project activity and achieving the project's objectives.

**5 b** Describe how the risk identified in Annex C will be monitored, what systems will be used, who is responsible.

Be realistic, projects rarely run exactly as planned. The project must demonstrate that risks have been considered and appropriate plans are in place to keep the project on track.

## **Part 6– Evaluation**

The project's evaluation budget must be set out in part 3 c. of the application. This should be 1-2% of the amount of UK Community Renewal Fund requested, with a minimum threshold of £10,000.

**6 a.** Describe how the project will be evaluated. Evaluation should consider both the impact of the project and lessons from the process of how the project was delivered.

Evaluators should generally be independent of the project and have appropriate evaluation expertise. However, in the case of smaller projects this may not be necessary or cost effective and

an evaluation could be undertaken in-house, in which case it should still be undertaken by someone with the necessary skills and be subject to independent review.

The approach will vary depending on the scale and nature of each project. However, all evaluations are expected to consider the following themes:

- appropriateness of initial design
- progress against targets
- delivery and management
- outcomes and impact
- value for money
- lessons learnt

Describe how the evaluation will be used to inform future activity and how it will be shared with others.

#### **Part 7 – Subsidies and/or State Aid where relevant**

**7 a/b** If the project will provide support to businesses or public / voluntary sector organisations that are operating in a commercial way there is potential for this support to represent a subsidy.

If the project would involve the award of subsidies explain how this will be managed in line with the UK's obligations. For example small scale awards can be managed under the threshold for Special Drawing Rights (or De Minimis where State Aid applies).

If the project provides support to businesses but you feel this does not constitute a subsidy explain why.

#### **Part 8 - Branding and Publicity**

Please confirm that the project will comply with branding and publicity requirements set out in the Fund Technical Requirements and Guidance document. Failure to do so will mean your bid is rejected.



UK Government

## UK Community Renewal Fund Application Form

This form is for project applicants, applying for funding from the UK Community Renewal Fund across the UK. **Annex D in this document includes General Guidance for Completing the Application Form.**

The UK Community Renewal Fund Prospectus, Assessment Criteria, a Technical Note for Project Applicants and Deliverers and Technical Note for Lead Authorities are available [here](#).

The level of information provided should be proportionate to the size and complexity of the project proposed.

### Applicant Information

**Applicant name: Scottish Council for Voluntary Organisations (SCVO)**

**Bid Manager Name and position: Moira Cuthbertson, Community Jobs Scotland Manager**

*Name and position of officer with day to day responsibility for delivering the project*

**Contact telephone number:** [REDACTED]

**Email address:** [REDACTED]

**Postal address:** [REDACTED]

**Website: [www.scvo.scot](http://www.scvo.scot)**

**Company Registration Number (where relevant): N/A**

**Charity Registration Number (where relevant): SC003558**

**Senior Responsible Officer contact details: Lorna Forrest, Head of Service Delivery  
[lorna.forrest@scvo.scot](mailto:lorna.forrest@scvo.scot)**

**Please confirm the type of organisation:**

- Local authority
- Private sector
- Voluntary sector
- University

- FE College
- Other (please specify)  
Click or tap here to enter text.



**Value being Requested (£):£228,285**

**The Bid – investment priority**

Please select which investment priority or priorities of the UK Community Renewal Fund are you applying under:

- Investment in skills
- Investment for local businesses
- Investment in communities and place
- Supporting people into employment

**Private and Voluntary Sector Applicants in Northern Ireland.** Please confirm you have attached a copy of the applicant’s latest accounts.

Choose an item.

## Part 1 - Project Summary

1a Project Name

Community Jobs Scotland Intergenerational Pilot

For questions 1b-1f, please describe in 500 words or less per question. Please be as concise as possible.

1b What activities will take place?

This proposal is looking to offer 30 Community Jobs Scotland (CJS) 6 month paid placement positions (jobs) for young and older unemployed people, in third sector organisations based in Highland. These placements will support particularly vulnerable and recently unemployed people to progress in their employment journey, giving them the greatest chance of a positive long term destination and ensure they are not left behind.

This is a tried and tested model which has successfully offered nearly 10,000 jobs across Scotland in the last ten years. This additional project will pilot a new approach which introduces enhanced support for a new cohort of participants aged 16-29, and extends the eligibility of the programme to over 50's, bringing learning and benefits to different generations.

Each participant on CJS will become an employee of a third sector organisation, the same as any other staff member. They will be paid at least the national minimum wage, and a top up fund encourages employers to pay the Scottish Living Wage where possible/applicable.

Jobs will offer at least 25 hours a week of work (jobs for disabled people can be part-time, offering at least 16 hours' work per week).

With support from SCVO, the third sector employers will provide employability support to the CJS employees through on-job training/experience/qualifications and jobsearch support.

1c Who will deliver the activities?

SCVO will manage, support, oversee and deliver the activities, and third sector employers based in Highland will employ and support the people who participate.

SCVO already works with a large number of partners as part of the referral, wraparound and job creation process (eg DWP – Dept for Work and Pensions, Skills Development Scotland, Third Sector Employability Forum, Calman Trust, New Start Highland, ILM Highland, Cairn Housing Association, Apex Scotland, Citizens Advice Bureau, Lochaber Hope, Birchwood Highland).

1d How will the activities be delivered?

Employers who meet the requirements will then create new and additional job opportunities, which SCVO will assess to ensure there is a suitable supervisor, contract of employment and a job description.

SCVO will coordinate the advertisement, recruitment and interview process with third sector employers and referral partners (SDS, DWP and Local Authority). Once successfully recruited, all beneficiaries will have a full induction on commencing employment.

SCVO will manage all of the wage payments, monitoring and reporting to funders, offering opportunities for both the employer and employee to upskill and gain capacity and support. Direct supervision and support of the employee will be carried out monthly and recorded by the employer.

A progress review will look at activities to be delivered and will include training, development and job search with a variety of activities. All jobs created will contribute to tangible and lasting benefits to the community.

The jobs will support employees to progress to sustainable employment having gained skills and experience that can be transferred into other roles or being retained in employment. All the jobs will be new and additional and would not exist without this funding.

Third sector employers will commit to a minimum of providing employability support through on-job training/experience and jobsearch support using SDS My World of Work tools, however many employers offer a much wider and comprehensive development package to the employee.

SCVO will also provide both the employer and employee with access to additional training and support. Employees can gain qualifications such as Digital Business Skills, Royal Environmental Health Institute of Scotland (REHIS) Food and Hygiene, First Aid at Work. SCVO in partnership with the Convention of Scottish Local Authorities (COSLA) and The Open University (OU) have developed The OU Skills for Work Portal offering hundreds of free certificated and badged courses for employers and employees. We have also developed in partnership with Scottish Association for Mental Health (SAMH) courses on mental health and well being for managers and employees. We also have established a mentoring project in partnership with Scottish Mentoring Network provided by previous beneficiaries for new recruits on employability programmes. All training and support is requested via SCVO and approved in advance.

CJS ensures that local employers deliver the support required for local people in their communities. SCVO monitor the activities delivered and each employer has a named account manager at SCVO to support them through all processes. The delivery of activities is also monitored with % of compliance and audits carried out.

A step by step process diagram is available if required.

1e Who will be the beneficiaries of the project?

Young people aged 16-29 and over 50s, as these groups have been identified as being hardest hit as a result of the Coronavirus pandemic. The project will focus on people with disabilities or health issues, carers, care leavers/care experienced, people with convictions and military early service leavers, as well as people from the Black, Asian and Minority Ethnic (BAME) community, lone parents, people affected by substance misuse or homelessness, who are refugees or granted leave to stay in the country, with less than SCQF (Scottish Credit and Qualifications Framework) level 5 qualifications - equivalent to less than a GCSE (General Certificate of Secondary Education) grade C or Scottish Nat 5 qualification. Many will be facing multiple barriers to employment due to chaotic lives and complex issues.

We can evidence many success stories from previous CJS employers and employees - <a href="https://www.youtube.com/user/SCVOtv/videos">https://www.youtube.com/user/SCVOtv/videos</a>			
1f Where will the activities take place?			
At the place of work of each third sector employer, in their local area.			
1g When will the project start?	01/10/2021	When will the project end?	31/03/2022
1h Which places (district or unitary areas) will benefit from the activity?			
Local Authority Area		Approximate percentage of activity / expenditure	
Highland Council		100%	
Click or tap here to enter text.		Click or tap here to enter text.	
Click or tap here to enter text.		Click or tap here to enter text.	
1i What are the key milestones for the development and implementation of the project?			
<b>Milestone</b>			<b>Target Month</b>
24 employers engaged			Aug 2021
30 jobs advertised			Sep 2021
30 jobs filled			Oct 2021
30 jobs completed and evaluation concluded			Mar 2022

<b>Part 2 – Project Impact</b>
For questions 2a-2d, please describe in 500 words or less per question. Please be as concise as possible.
2a What will be the short and long term benefits of the project on its beneficiaries and the wider community?
The objectives of this proposal are to address unemployment for those furthest from the labour market and/or hardest hit by the pandemic. Each employer will also benefit from having an additional employee joining and adding capacity to their workforce as the economy recovers from COVID-19. This period of continuous employability support and development will enable each beneficiary to be better equipped to progress into sustainable employment.

A combination of the following benefits are expected for the employee in the short to medium term -

- to have money and clear/reduce debt
- to adopt a healthier lifestyle
- to enjoy a better quality of life
- to become more confident
- to become more independent
- to gain a new qualification or skills
- to improve my Curriculum Vitae for their future
- to improve my relationships
- to learn new skills in a new job
- to make new friends
- to secure long term employment

Also in the short to medium term, a combination of the following benefits are expected for the employer (third sector organisations) -

- to gain new perspectives
- to grow in capacity
- to contribute to employee development
- to learn new support skills
- to improve relationships
- to offer new or additional services
- to build networks

Longer term benefits of the project will include sustainable employment opportunities for beneficiaries, beneficiaries starting on the journey of life long learning, progression away from economic inactivity, introduction of a new staff cohort into the Scottish third sector, decrease in benefit claimants.

Existing Scottish Government funding for new jobs ceases at the end of Sept 2021, exactly at the time when the Job Retention Scheme ends, and unemployment is set to increase. Further, Kickstart is due to cease in Dec 2021. This proposal will fill the gap which will emerge as a result of the above.

Over the last 10 years of Community Jobs Scotland, SCVO has engaged with over 1000 employers in all 32 Local Authorities areas in Scotland creating nearly 10,000 jobs for the most vulnerable 16-29yr olds who are furthest from the labour market.

2b How does the proposal align with local needs and long-term strategic plans for local growth?

The future of employability has been disrupted beyond imaginable expectations. COVID-19 has plunged Scotland into an economic crisis which could take decades to recover from, the people hardest hit will be those who were already furthest from the labour market. The economy is expected to reduce in all future years, because of loss of skills due to long term employment, furlough and lack of opportunity for on the job training and learning.

During Feb 2021 economic activity was 7% below pre pandemic levels, and we know that labour market statistics are not showing true pictures. Unemployment is currently at 4.5% but the Scottish Fiscal Commission forecasts that unemployment will rise to 7.5% in 2021. HM Revenue and Customs PAYE (Pay As Your Earn) data shows a decline of 3% (80k jobs) compared to pre pandemic and this doesn't include the 350k people on furlough in Feb (15%). There has been an increase from 8 to 13% of unemployment in 18-24yrs olds and the Institute for Public Policy Research (IPPR 2020) forecast that youth unemployment in Scotland could reach over 100,000. This equates to a higher level than during the financial crash of 2008. Also the Out of Work Benefits claimant count in Highland (March 2021 NOMIS report) indicated that the 50+ age group count was 50% higher than that of 16-24 age group.

Many people have struggled with the isolation of lockdown. Now more than ever they require access to holistic support, going beyond just traditional employability skills, to support their mental wellbeing and confidence. We know from experience that young people secure and sustain better outcomes when they have the continuity of a trusted relationship to help overcome barriers. We expect this project to contribute heavily to Scotland's No One Left Behind and Young Person's Guarantee initiatives as well as UK Government's Plan for Jobs and as a prototype for future Shared Prosperity Fund provision.

Although recent Government investments have sought to address the scarring effect on young people, there is still a cohort of people who are at serious risk of being left behind, due to eligibility criteria constraints (age, target groups), lack of employer awareness in supporting complex needs, or "cherry-picking" by some providers, to ensure better reported results.

This proposal will address all five priorities of the Highland Strategy for Youth Work 2019-2024, in that it improves community involvement (every job needs to have community benefit), improves democracy (SCVO engages users and employers in lived experience panels), improves health & wellbeing (building relationships and providing mental health support), improves inclusion (removing barriers and targeting those furthest from labour market) and provides enhanced opportunities and training.

It also fulfils elements of the Highland Outcome Improvement Plan 2017-2027, providing economic opportunities to address inequalities, tackle stigma and discrimination, invest in strong communities

and provide the living wage, without which contributes to in work poverty, particularly prevalent in remote and rural communities.

CJS will address the holistic needs of individuals, in parallel to provision of job opportunities.

2c How does the project support the Government's Net Zero ambitions or wider environmental considerations? (This is not a requirement for employment support proposals)

N/A however many of the jobs we create will be defined as 'green jobs'

2d How does the project demonstrate innovation in service delivery?

There is no other programme currently available in Scotland that offers a real job with a fair wage, with access to training in order to build real skills in the workplace, providing meaningful and valuable paid job experience with responsibility. Community Jobs Scotland also targets the most vulnerable and has a focus on those most disadvantaged in the labour market – those who are care experienced or are carers themselves, early Armed Forces service leavers, those with criminal convictions and those who have disabilities or other health issues.

The new and innovative delivery element of this proposal is to extend the offer of opportunities to those over 50, who have recently become unemployed or need additional help to experience a new workplace environment to get them back onto their career path, and to test new wraparound support to address the holistic needs of individuals. It will test a successful existing approach with different types and ages of beneficiaries. It will also trial new ways of using digital technology to bring beneficiaries and employers together to learn and grow.

CJS is more than just a job, and differs to other wage incentive schemes currently offered. CJS provides;

- A training fund, travel (particularly in rural areas), mental health and counselling support, as well as a digital platform for people to engage
- Scottish Living Wage top up
- Flexible working arrangements to align with a person's needs
- Training and support for the employer, eg mental health, addiction and gambling awareness, working with care leavers, and addressing perceptions about young people with convictions

- Ability to lever in additional funds and resources to sustain opportunities
- Wider outcomes for family members and the community
- Scope to be flexible and evolve and improve through co-design with employers/employees
- A mentoring element, where previous CJS employees work with new incumbents to share learning and successes.

The opportunities available through CJS are diverse and range from jobs such as Café Assistant, Community Maintenance Assistant, Van/Warehouse Assistants, Information and Venue Assistants, Youth Work Assistant, Administrative Assistant, Estate Assistant and Sales. Many jobs are green jobs.

Although there are other forms of employability support available (eg Kickstart, Employer Recruitment Incentives), the young people CJS currently benefits are often not ready or eligible, so CJS provides a unique opportunity to prepare them for the next stage of their career.

2e Which groups will your UK Community Renewal Fund project target?

*Please describe below and complete Annex A – Project Impact Indicators*

The project will benefit unemployed young people aged 16-29 and older people aged 50+. It will target people with disabilities or health issues, carers, care leavers/care experienced, people with convictions and military early service leavers will be prioritised, as well as young people from the BAME community, lone parents, people affected by substance misuse or homelessness, those living in a rural area, who are refugees or granted leave to stay in the country, with less than SCQF level 5 qualifications, or who have completed the Work Programme. Many will be facing multiple barriers to employment due to chaotic lives and complex issues. The project will target third sector employers looking to create new jobs and build their capacity and ability to contribute to economic recovery. These third sector employers will include small and larger organisations, including social enterprises, charities and not for profit organisations.

2f Please describe how you have considered the equalities impacts of your proposal, the relevant affected groups based on protected characteristics, and any measures you propose in response to these impacts.

Community Jobs Scotland (CJS) has a focus on disabled people, carers, care experienced people, early armed forces leavers and young people with convictions. Employers find it accessible, straightforward and easy to use because it removes the administrative burden for employers, allowing them to focus on the young person's needs and their development.



Employers manage their jobs through an online bespoke secure portal which is quick and easy to use. Support and advice is provided to employers to have appropriate policies, contacts of employment etc. in place. Employees are treated as equals in their organisation (not as trainees or work placements). It is proven to provide personal development and develop meta/soft skills. It is genuinely person-centred, values-based, holistic, and local. It is non-discriminatory and adaptable to young people's needs. It is 'not a revolving door' for participants and provides young people with respect, recognition, a sense of achievement, and an opportunity and in many cases, a career. It is community-focused and every job must have a community benefit; young people understand and value their contribution.

2g What UK Community Renewal Fund Outcomes will the project deliver?

*Please describe below and complete Annex A – Project Impact Indicators*

1. A more person-centred, values-based, holistic job opportunity for a vulnerable person
2. Additional support to employers to deliver expert employability support, maximising the contribution of the voluntary sector
3. Fair work and sustainable outcomes
4. Better, future-focused, meta-skills to enable people to get in to, and stay in, quality jobs.

2h How have the outcomes been estimated?

The outcomes have been estimated using job profiling numbers, evaluation data and analysis from previous phases of the programme, where levels of expectation being met were assessed (see question 2a).

In a survey of 417 young people, out of the 11 expectations, 10 were met for at least 75% of young people and in 8 of the 11 areas the expectation was met for over 90% of the young people 100% of young people noted an expectation that was unexpectedly met, increasing the minimum outcome (securing permanent employment) to 69.4%.

Young people were asked to score (between 1 and 10) how they rated their confidence levels at the start and end of their CJS contract in 11 different situations. The majority of young people saw an increase in their confidence in all areas.

80% of young people reported an increase in their confidence and "Coping with unexpected circumstances" was the area where the highest number of young people, 89.6% saw an increase in their confidence.

Based on average scores, all 11 situations saw an increase in confidence with "Talking with colleagues" showing the biggest increase by 3.5 points.

2i Would you expect to achieve any of these outcomes without UK Community Renewal Fund support?

No, as existing Scottish Government funding for this service ceases at the end of Sept 2020, meaning that there will be no new jobs available, exactly at the time when the Job Retention Scheme ends, and unemployment is set to increase. Over the last 10 years of Community Jobs Scotland, SCVO has engaged with over 1000 employers in all 32 local authority areas in Scotland creating nearly 10,000 jobs for the most vulnerable 16-29yr olds who are furthest from the labour market.

However the project could proceed on a smaller scale, if the number of jobs created were to be reduced.

### Part 3 - Funding Package

3a How much UK Community Renewal Fund investment is sought?

*Please also complete Annex B – Funding Package and Profile*

£228,285

3b Does the funding package include any match funding? If so, how much?

When will any funding that is not in place be secured?

No

3c What will the funding package be spent on?

The funding package would cover the unit cost of creating the jobs, dependent on the living wage or the age of the participant, capacity building support for the employers, as well as the wraparound support provision for the employee, an evaluation budget and a management fee to SCVO, which covers system costs, overheads, marketing etc. A full budget breakdown can be provided.

3d How has the overall budget been estimated, what has been done to test that it is accurate, how would any unexpected costs be managed?

The budget has been calculated on a cost per job basis, ie, £7609.50 x 30 posts = £228,285. This is a full unit cost which incorporates wages, a management fee, evaluation budget, training budget etc. SCVO has an experienced finance team that has over 10 years of modelling such programmes. SCVO also has a bespoke payments management system that contains checks within it to ensure that overpayments or other unexpected costs do not arise. A full budget breakdown can be provided.

### Part 4 – Project Applicant Experience and Capacity

Please limit your responses to each question to 250 words or less. Please be as concise as possible.

4a What experience does the organisation have of delivering this type of activity?

SCVO is the national membership organisation for the voluntary sector. We champion the sector, provide services and debate big issues. Along with our community of 2,000+ members, we work across the whole voluntary sector. We believe that charities, social enterprises and voluntary groups make Scotland a better place. We have direct access to voluntary sector organisations, who themselves have direct access to those furthest from the labour market.

SCVO's Employment Services department was created 22 years ago, recognising the need for the voluntary sector to play its part in delivering the New Deal programme. Between 1998 and 2009, SCVO worked with 18,842 unemployed people, to provide work experience with voluntary organisations across Scotland. In 2009, we formed a consortium to create 5,440 jobs through the Future Jobs Fund, building trusting and meaningful relationships with employers that we continue to build on now and in the future.

In June this year we will have offered 10,000 jobs to young people across Scotland and have a track record of meeting outcomes agreed with funders and partners. CJS produces better outcomes for the most disadvantaged young people than any other employability initiative in Scotland.

4b Describe the resources (e.g. staff) the organisation has available now to deliver the project?

As noted above, SCVO has an extremely experienced employment services team of 6 individuals, who have over 50 years of delivering employability services between them. They are supported by a Head of Department, Director and Chief Executive who all play a frontline role in developing employability, contributing to strategic planning around No One Left Behind and the Young Person's Guarantee. They represent CJS, SCVO, the Third Sector Employability Forum (TSEF) and the wider sector on the future of employability and the role of the third sector as an economic actor.

SCVO also has supporting comms, policy, Information Technology, Human Resources, finance, business development, digital and information/advice teams, who contribute to the smooth and successful running of services.

SCVO has worked with 1364 voluntary sector employers through CJS, ranging from very small community groups, social enterprises to national charities.

The third sector has much to offer in this space. It encompasses over 40,000+ organisations, and employs over 100,000 paid staff, work with over 1.4 million volunteers, and has a combined annual turnover that reached £6b in 2018. Those figures demonstrate the key role of the sector as an employer.

SCVO is also a Kickstart Gateway provider and has over 500 jobs approved, demonstrating our commitment to job creation in the third sector.

4c If the organisation will have to recruit staff or appoint contractors what plans are in place to manage the risk of delay?

No further recruitment is required as the team are already in situ and we have strong existing networks of third sector employers and public sector partners who support the programme.

4d Describe the systems and processes that will be used to ensure only costs directly related to the project will be included in grant claims.

SCVO sets out a memorandum of understanding (MOU) with employers that clearly itemises eligible costs and the criteria under which these will be paid. Eligible spend is then set up on SCVO's payments system and only released to participant employers every time eligibility criteria have been confirmed. The system also restricts funding per participant to a pre set amount to remove the risk of overpayments. Prior to sending a claim, various cross checking and reconciliation reports are produced to verify expenditure before it is made or a claim is sent. Once completed claims are checked and re verified by the Director of Finance. In addition, the Employability team samples and checks information from employers to further confirm costs are eligible.

## Part 5 – Project Risk Management

Please limit your responses to each question to 250 words or less. Please be as concise as possible.

5a Summarise the key risks to the project in Annex C – Project Risks

Risks have been captured in Annex C and cover development and delivery risks, including planning, timescales, costs, resources, partnerships/relationships and demand.

5b Describe the process and that will be used to monitor risk.

SCVO operates a formal risk management framework that forms part of SCVO's internal controls and corporate governance framework. The risk framework is overseen by the Strategic Resources Committee, a sub-committee of the Board of Trustees.

SCVO's risk management framework requires that the following steps must be taken and recorded on the SCVO risk management register: establish the context, identify the risk, analyse the risk, evaluate the risk, treat the risk and monitor and review the risk. Risk management is further factored into business planning, performance management, audit and assurance, business continuity management and project management.

The risk register is a live document that is accessible and updated by all risk owners. Risks are added and removed in accordance with the risk management procedure. The risk register categorises risk under the headings of compliance, reputational, financial, environmental, change and people. The register also holds scoring details, monitors for emerging risks and escalates risks for treatment; the risk register takes account of risk appetite and risk velocity. Risk is a standing item on meeting agendas.

SCVO has a whole organisation approach to identifying and managing significant risks. The risk register escalates risks that score high for senior management and Trustee attention. Significant risks carry an extra level of monitoring and are a priority for mitigation.

## Part 6 – Evaluation

6a A key objective of the UK Community Renewal Fund is to try new ways of delivering activity to businesses and people. It is important that projects are robustly evaluated and that learning is shared with others.

Please limit your responses to around 500 words and describe

- how the project will be evaluated, in terms of how it was delivered and its impact on clients
- how the findings of the evaluation will be disseminated

We already undertake robust and thorough assessment, monitoring and reporting of all employers and jobs created on CJS using a bespoke system that ensures ease of internal and external data monitoring/management - job allocations, programme targets, budget, admin process etc. This informs and will continue to inform our quantitative self evaluation.

We have a dedicated website and access/download all forms required for the referral and applicant process. The employer portal is set up to automatically remind employers to carry out programme monitoring and evaluation requirements digitally, and securely upload additional paperwork such as invoices and certificates. This ensures timely completion and accuracy, and reduces staff time required. The portal also allows digitally signed agreements and secure information-sharing and offers easy, accurate, prompt and secure process for payments to employers.

Detailed and bespoke reports on outcomes can be produced to align with other reporting templates. We also seek regular employer feedback and hold employer and employee forums to enable continuous improvement of CJS.

One thing we have learned from CJS is that the quality of the relationships our third sector employers offer is key, and we are exceptionally proud of the positive outcomes achieved – ie person centred, providing wraparound support, delivered by local employers, supporting local needs and providing community benefit. Statistics show that CJS produces better outcomes for the most disadvantaged young people than any other employability initiative in Scotland.

For this additional project we will look at an independent cost benefit analysis and impact evaluation of the project taking account of each beneficiaries journey. This will include looking at each individuals confidence and expectations, project outcome and the overall value for money, as well as the impact on employers. The evaluation will consider the design of the programme, in particular the new target cohort of over 50's. Lessons Learned will be captured to inform future service provision.

## Part 7 – Subsidy Control

All bids must also consider how they will deliver in line with subsidy control (or State Aid for aid in scope of the in Northern Ireland Protocol) as per UK Government guidance: <https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities>

7a Does any aspect of the project involve the provision of subsidies (or State Aid)?	No
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7b If yes, briefly explain how the subsidies or state aid are compliant with the UK’s subsidy control regime as set out in the guidance.

Click or tap here to enter text.

**Part 8 - Branding and Publicity**

Guidance on the branding and publicity requirements for the UK Community Renewal Fund is set out in the Fund Technical Note for Project Deliverers.

8a Please confirm that you have read and will comply with all aspects of the Fund branding and publicity requirements.	Yes
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**Data Protection**

Please note that the Ministry for Housing Communities and Local Government (the Department) will be a Data Controller for all UK Community Renewal Fund-related Personal Data collected with this form and submitted to the Department, and the control and processing of Personal Data.

Mayoral Combined Authorities, the Greater London Authority, County Councils or Unitary Authorities, have been designated as a ‘Lead Authority’ in Great Britain for the UK Community Renewal Fund. Each Lead Authority has been invited to run a local bidding process and will be a Data Controller for all UK Community Renewal Fund related Personal Data collected with the relevant forms as part of this process, and the control and processing of Personal Data, where such applications are not submitted to the Department for consideration.

The Lead Authority (in Great Britain) and the Department will processes all data according to the provisions of the Data Protection Act 2018 and the UK General Data Protection Regulation 2018 (UK GDPR) all applicable laws and regulations relating to processing of Personal Data and privacy, including, where necessary, the guidance and codes of practice issued by the Information Commissioner and any other relevant data protection regulations (together “the Data Protection Legislation (as amended from time to time)”).

As a Processor of UK Community Renewal Fund-related Personal Data your organisation and the Lead Authority (when acting in Great Britain) must ensure that such Personal Data is processed in a way which complies with the Data Protection Legislation (as amended from time to time).

By proceeding to complete and submit this form, you consent that the Lead Authority (in Great Britain) and its contractors where relevant, and the Department, and its contractors where relevant, may process the Personal Data that it collects from you, and use the information provided as part of the application to the Department for funding from the UK Community Renewal Fund, as well as in accordance with its privacy policies. For the purposes of assessing your bid the Department may need to share your Personal Data with other Government departments (such as the Department for Work and Pensions) and departments in the Devolved Administrations and by submitting this form you are agreeing to your Personal Data being used in this way.

Data Controller, Personal Data, Personal Data and Processor all have the meaning given to them in the Data Protection Legislation (as amended from time to time).

**You can find more information about how the Department deals with your data here:**

<https://www.gov.uk/government/publications/uk-community-renewal-fund-prospectus>

## **Part 9 - Project Applicant Statement**

I declare that I have the authority to represent the project applicant in making this application. I understand that acceptance of this application form by the Lead Authority (in Great Britain) or the Ministry for Housing Communities and Local Government (the Department) does not in any way signify that the project is eligible for funding under the UK Community Renewal Fund or that any such funding has been approved towards it.

On behalf of the project applicant and having carried out full and proper inquiry, I confirm to the Lead Authority (in Great Britain) and the Department that:

- the project applicant has the legal authority to carry out the project; and
- the information provided in this application is accurate.

I also confirm to the Lead Authority (in Great Britain) and the Department that:

I have informed all persons whose personal information I have provided of the details of the personal information I have provided to you and of the purposes for which this information will be used, and that I have the consent of the individuals concerned to pass this information to you for these purposes;

I consent to the Personal Data submitted with this form being shared as set out in this form and in accordance with the Lead Authority's Privacy Policies (in Great Britain) and the Department's Privacy Policies;

I shall inform the Lead Authority (for Great Britain projects) if, prior to any UK Community Renewal Funding being legally committed to the project applicant, I become aware of any further information which might reasonably be considered as material to the Lead Authority or the Department in deciding whether to fund the proposal;

For Northern Ireland projects, I shall inform the Department if, prior to any UK Community Renewal Funding being legally committed to the project applicant, I become aware of any further information which might reasonably be considered as material to the Department in deciding whether to fund the proposal;

Any match funding that has been set out in part 3 will be in place prior to any award of UK Community Renewal Funding; and

I am aware that if the information given in this application turns out to be false or misleading, the Lead Authority (where relevant) or Department may demand the repayment of funding and/or terminate a funding agreement pertaining to this proposal.

I confirm that I am aware that checks can be made to the relevant authorities to verify this declaration and any person who knowingly or recklessly makes any false statement for the purpose of obtaining grant funding or for the purpose of assisting any person to obtain grant funding may be prosecuted. A false or misleading statement will also mean that approval may be revoked and any grant may be withheld or recovered with interest.

I confirm that I understand that if the project applicant commences project activity, or enters in to any legally binding contracts or agreements, including the ordering or purchasing of any equipment or services before the formal approval of the project, any expenditure is incurred at the organisation's own risk and may render the project ineligible for support.

For and on behalf of the project applicant Name:	Tim Hencher		
Position	Director of Delivery	Date	<b>14/05/2021</b>



## Annex A – Project Impact Indicators

1a Which groups will your UK Community Renewal Fund project target?

Main Indicator	Indicator Subset	Target Group	Number
People	Economically Inactive	Yes	10
	Unemployed	Yes	20
	Employed	No	0
	Total		30
Businesses	Small <sup>1</sup>	Yes	22
	Medium <sup>2</sup>	Yes	2
	Large <sup>3</sup>	No	0
	Total		24
Organisations	Public	No	0
	Private	No	0
	Voluntary Sector	Yes	24
	Total		24

1b What types of support will you provide via your UK Community Renewal Fund project?

Main Indicator	Indicator Subset	Proposed Support Type	Number
Direct support	1 to 1	Yes	19
	1 to many	Yes	5
Financial Support (£s)	Grant	Yes	30
	Voucher	No	0

1c What UK Community Renewal Fund Outcomes will the project deliver (see Technical Note for Project Applicants and Deliverers for details)?

<sup>1</sup> <https://www.legislation.gov.uk/ukpga/2006/46/section/382>

<sup>2</sup> <https://www.legislation.gov.uk/ukpga/2006/46/section/465>

<sup>3</sup> Any business that does not qualify as a small or medium business

Outcome	Total
<b>Employment increase in supported businesses as a result of support</b>	<b>10</b>
People in education/training following support	<b>10</b>
<b>People engaged in jobsearching following support</b>	<b>10</b>

Annex B – Funding Package and Profile			
	Amount		
(a) UK Community Renewal Fund Requested	£	<b>228,285</b>	
(b) Other Public Funding	£	In place	Yes
(c) Private Funding	£	In place	Yes
(d) Total Project Costs (a+b+c)	£	<b>228,285</b>	
Expenditure Profile. How much will be spent in:			
Jul – Sept 2021	£	28,285	
Oct – Dec 2021	£	100,000	
Jan – Mar 2022	£	100,000	
<b>Total</b>	£	Must equal (d) <b>228,285</b>	
How much of the budget will be spent on capital costs?	£	0%	
If the project will deliver under more than one of the UK Community Renewal Fund's investment priorities, please estimate how much will be spent under each theme			
Investment in skills	0%	Investment for local businesses	0%

Investment in communities and place	0%	Supporting people into employment	100%
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## Annex C – Project Risks

### Project Risk Management

Please be as concise as possible.

Summarise:

- the key risks to the delivery and success of the project
- who is responsible for managing the risk, the Owner
- the probability of the risk occurring, is it high, medium or low?
- what would be the impact of the risk, high, medium or low?
- The mitigation plans in place to manage the risk occurring or to deal with the risk if it does occur

<b>Risks Description</b>	<b>Owner</b>	<b>Probability (H,M,L)</b>	<b>Impact (H,M,L)</b>	<b>Mitigation</b>
Poor planning leads to unexpected costs and/or delays to the project	<b>Lorna Forrest, SCVO</b>	<b>L</b>	<b>M</b>	<b>SCVO project planning methodology SCVO financial management processes SCVO risk management processes</b>
Resources are insufficient or there is a loss of key staff, impacting on the ability deliver on time or manage the process successfully	<b>Lorna Forrest, SCVO</b>	<b>L</b>	<b>M</b>	<b>SCVO project planning methodology SCVO financial management processes SCVO risk management processes SCVO HR &amp; recruitment processes</b>
Partnership breakdown, leading to internal and external dissatisfaction	<b>Lorna Forrest, SCVO</b>	<b>L</b>	<b>L</b>	<b>Robust MOUs in place with employers Regular reporting touchpoints Ongoing Self-Evaluation</b>
The level of response to the programme exceeds volume assumptions, resulting in demand not being fulfilled and gaps in support remaining	<b>Lorna Forrest, SCVO</b>	<b>L</b>	<b>M</b>	<b>Tracking mechanisms in place Seek additional funding support</b>
There are insufficient jobs created by third sector employers, resulting in an inability to meet target projections	<b>Lorna Forrest, SCVO</b>	<b>L</b>	<b>M</b>	<b>Employer events planned Tracking mechanisms in place</b>

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Click or tap here to enter text.	Click or tap here to enter text.	Choose an item.	Choose an item.	Click or tap here to enter text.
Click or tap here to enter text.	Click or tap here to enter text.	Choose an item.	Choose an item.	Click or tap here to enter text.

## Annex D – General Guidance for Completing the Application Form

The application must be completed and submitted in Word.

Provide describe the project as simply as possible. Do not use technical terms, explain any acronyms. If an assessor cannot understand the project it cannot be assessed against the selection criteria and the bid will be rejected.

Some sections of the form contain guidance on the number of words to be used. Additional information and text in excess of any limits will not be considered. If possible use fewer words. The assessment of bids will be based on the information provided in the Application Form only. **Do not attach appendices or include links to websites.**

The UK Government will not contact bidders to clarify any aspect of submitted bids.

### Part 1 - Project Summary

Full details of the investment priorities are set out in the Prospectus. Bids must demonstrate how they align with at least one of the priorities.

If the proposed project intends to deliver under more than one priority, provide an estimate of the percentage of funding that will be spent under each priority in Annex B – Funding Package and Profile.

**1 b – 1 f** Clearly explain what the project intends to do and how it will be done. Be as straightforward as possible. If it helps to use diagrams these can be inserted into the application. When reviewing your bid consider the following questions from the point of view of someone who knows nothing about the organisation or the project:

- is it clear what the project would do?
- is it clear who will deliver the activities, who is involved and their roles?
- is it clear how, when and where the project will be delivered (ie. will the project deliver one to one support, one to many events/activities, will it be delivered in a specific location, on business or personal premises)?
- is it clear which individuals and businesses will benefit from the project, is there a focus on certain groups of people or types of businesses?
- is it clear how the project activities reflect the investment priorities?

If the project will work with people or businesses, you can summarise the customer journey using a flow chart showing specific project activities. A logic model or theory of change may also help explain your proposal.

**1 h.** List the local authority areas that may benefit from the project. For projects working with people or businesses this should be based on the location of the intended beneficiaries. In Great Britain, the relevant local authority area is as set out in the [list of places](#).

A project may be delivered in a single area or cover several areas. A project may operate in all parts of a local authority area or focus on particular locations.

**1 i.** These key milestones must link to the proposed activities and demonstrate that the project is deliverable by 31 March. Do not include milestones relating to the approval of the bid. Consider:

- securing internal approvals for the project or any other funding
- establishing the project team
- procurement for external services/suppliers
- project launch and recruiting beneficiaries
- key points on the beneficiary journey

Projects will be monitored against these milestones.

## **Part 2 - Project Impact**

**2 a.** Consider the impact on the beneficiaries and what the organisations involved in delivering the project hope to learn from it. Summarise the objectives of the project. These should be specific, measurable, achievable and time constrained. Set out how the project responds to any market failure or delivery inefficiency.

In part 5 explain how performance against these objectives will be evaluated.

**2 b.** Describe how the project activities and expected impacts contributes to local priorities set out in local plans. When lead authorities invite bids, they will identify the key local growth priorities they have chosen to focus on.

**2 c.** This section is not a requirement for bids submitted entirely under the ‘supporting employment’ investment priority. Projects under the employment investment priority will not be disadvantaged during the assessment and prioritisation of bids because this criterion does not apply.

Explain how the project would contribute to the UK Government’s Net Zero or wider environmental considerations. Projects should be based on low or zero carbon best practice, adopt and support innovative clean tech where possible and support the growing skills and supply chains in support of Net Zero where possible.

As a minimum projects should meet the clean growth principle and must not conflict with the UK's legal commitment to cut greenhouse gas emissions to net zero by 2050.

**2 d.** Describe how the project demonstrates innovation in service delivery for example:

- introducing new delivery approaches
- new integrated approaches across policy themes or
- collaboration across areas
- testing existing approaches with different types of beneficiaries
- new ways of using digital technology to support beneficiaries

Trying new ways of working is riskier and in some cases can be more expensive than established ways of working. This will be taken in account during the assessment and prioritisation of bids and during the monitoring of successful projects.

**2 e.** Complete Annex A of the application – Project Impact Indicators.

Provide any further information on the groups or sub-groups of people or businesses the project would work with. Describe how the number in each group has been estimated.

**2 f.** The UK Government is required to consider equalities impacts in line with the Equality Act 2010. This questions helps us understand how equality considerations have shaped the design of the project and the extent to which [groups with protected characteristics](#) have been considered and any mitigations proposed. It does not form part of the assessment process.

**2 g/h.** Complete Annex A of the application. Provide any further information on project outcomes and explain how the figures have been estimated. For example, explain the relationships between the number of intended final beneficiaries and the outcomes you intend to achieve?

Projects will be required to report on the number and type of beneficiaries supported and the outcomes achieved.

**2 i.** Describe what would happen if the bid to the UK Community Renewal Fund is unsuccessful. Would the project proceed on a smaller scale, would the activities be undertaken in a different way or at a later date, or would none of the activities occur?

### **Part 3 - Funding Package**

**3 b.** Match funding is any funding other than funding from the UK Community Renewal Fund that will be used to meet project costs. This includes from the project applicant or other organisations



including income from beneficiaries. Please set out who match funding will come from, where relevant.

If the project relies on match funding and it is not secured, explain when it is expected to be secured and what the impact would be if it is not secured.

**3 c.** Summarise the amount that will be spent under the main areas of expenditure. The breakdown must be detailed enough to demonstrate that the funding package and budget is appropriate to the proposed activities and sufficient to deliver the project.

Examples of the types of headings to use are:

- staff costs - salaries and contractual benefits, National Insurance and superannuation contributions
- overheads, at 15% of staff costs
- business travel, subsistence and accommodation
- fees of contractors and consultants
- costs of materials or venue hire
- marketing and publicity costs
- grants provided to end beneficiaries
- training participant costs e.g. allowances, travel expenses
- dependent care costs of training participants
- small items of equipment
- evaluation
- external audit cost (Northern Ireland)

VAT that cannot be recovered from HMRC as part of the VAT system is eligible for support. Estimate the amount of irrecoverable VAT the project would incur in section 3 c.

**3 d.** Describe how the figures provided in section 3 c were estimated. For example

- staff costs of X posts at salaries of £Y pro-rata for Z months of activity
- grants of between £X and £Y at an average of £Z per grant multiplied by the number of expected beneficiaries
- materials at a cost of £X per beneficiary multiplied by the number of expected beneficiaries

Explain what has been done to test the budget is accurate and how any unexpected costs or cost increases would be managed.

## **Part 4 – Project Applicant Experience and Capacity**

**4 a - c.** The deliverability of projects is significant element of the criteria that will be used to assess bids to the UK Community Renewal Fund. It is important that we can have confidence that organisations that are offered funding are able to implement their projects quickly and effectively.

As the UK Community Renewal Fund is seeking innovation and new ways of working it is not essential that applicant organisations have a track record in delivering similar projects. It is however essential that organisations can draw on relevant experience and are able to demonstrate they have or will have access to the resources and expertise they need to deliver the project.

If the project will recruit staff or appoint contractors, this should be included in the project milestones. Describe the contingency plans that are in place to manage the risk if there are delays.

**4 d.** Project costs must be based on the actual expenditure incurred in delivering the project, evidenced through invoices or other transactions. Describe the process and controls the organisation would use to ensure only costs related to the project are included in grant claims.

Describe how the project will manage the risk of the project being defrauded by beneficiaries, contractors or members of staff. If the project involves grants, describe how fraud risk will be managed at key stages of the grant process. UK Community Renewal Fund projects may be selected for audit visits by the lead authority (GB) or the UK Government (GB & NI).

## **Part 5 – Project Risk Management**

Complete Annex C. This should provide a clear summary of the key risks to delivering the project activity and achieving the project's objectives.

**5 b** Describe how the risk identified in Annex C will be monitored, what systems will be used, who is responsible.

Be realistic, projects rarely run exactly as planned. The project must demonstrate that risks have been considered and appropriate plans are in place to keep the project on track.

## **Part 6– Evaluation**

The project's evaluation budget must be set out in part 3 c. of the application. This should be 1-2% of the amount of UK Community Renewal Fund requested, with a minimum threshold of £10,000.

**6 a.** Describe how the project will be evaluated. Evaluation should consider both the impact of the project and lessons from the process of how the project was delivered.

Evaluators should generally be independent of the project and have appropriate evaluation expertise. However, in the case of smaller projects this may not be necessary or cost effective and

an evaluation could be undertaken in-house, in which case it should still be undertaken by someone with the necessary skills and be subject to independent review.

The approach will vary depending on the scale and nature of each project. However, all evaluations are expected to consider the following themes:

- appropriateness of initial design
- progress against targets
- delivery and management
- outcomes and impact
- value for money
- lessons learnt

Describe how the evaluation will be used to inform future activity and how it will be shared with others.

#### **Part 7 – Subsidies and/or State Aid where relevant**

**7 a/b** If the project will provide support to businesses or public / voluntary sector organisations that are operating in a commercial way there is potential for this support to represent a subsidy.

If the project would involve the award of subsidies explain how this will be managed in line with the UK's obligations. For example small scale awards can be managed under the threshold for Special Drawing Rights (or De Minimis where State Aid applies).

If the project provides support to businesses but you feel this does not constitute a subsidy explain why.

#### **Part 8 - Branding and Publicity**

Please confirm that the project will comply with branding and publicity requirements set out in the Fund Technical Requirements and Guidance document. Failure to do so will mean your bid is rejected.



## UK Community Renewal Fund Application Form

**Version Control.** This version (V2) replaces the original Word version published on Gov.UK. It has been amended to improve usability. No changes have been made to the questions or associated guidance. Applications submit on the original Word version of the application or the ODT version will be accepted.

The UK Community Renewal Fund Prospectus, Assessment Criteria, a Technical Note for Project Applicants and Deliverers and Technical Note for Lead Authorities are available [here](#).

The level of information provided should be proportionate to the size and complexity of the project proposed.

### Applicant Information

**Applicant name:** Caithness Chamber of Commerce

**Bid Manager Name and position:** Ms Trudy Morris – Chief Executive  
*Name and position of officer with day to day responsibility for delivering the project*

**Contact telephone number:** [REDACTED]  
**Email address:** [REDACTED]

**Postal address:** [REDACTED]  
[REDACTED]

**Website:** www.caithnesschamber.com

**Company Registration Number (where relevant):** SC 350926

**Charity Registration Number (where relevant):** N/A

**Senior Responsible Officer contact details:** Ms Trudy Morris

**Please confirm the type of organisation:** Chamber of Commerce

<input type="checkbox"/> Local authority <input checked="" type="checkbox"/> Private sector <input type="checkbox"/> Voluntary sector		<input type="checkbox"/> University <input type="checkbox"/> FE College <input type="checkbox"/> Other (please specify)
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Click or tap here to enter text.

**Value being Requested (£):**£114,744.61

**The Bid – investment priority**

Please select which investment priority or priorities of the UK Community Renewal Fund are you applying under:

- X Investment in skills
- X Investment for local businesses
- X Investment in communities and place
- Supporting people into employment

**Private and Voluntary Sector Applicants in Northern Ireland.** Please confirm you have attached a copy of the applicant's latest accounts.

N/A

## Part 1 - Project Summary

1a Project Name

Georgemas Hydrogen Hub

For questions 1b-1f, please describe in 500 words or less per question. Please be as concise as possible.

1b What activities will take place?

The project comprises 3 feasibility studies to understand the costs and opportunities associated with attracting the investment for creating a transport themed hydrogen hub facility at Georgemas Caithness in the most northerly part of mainland UK.

Georgemas is a rail junction on the Far North Line in the Caithness and North Sutherland Regeneration (CNSRP) Partnership area and is geographically suited to the creation of a local Hydrogen Hub in support of the following activities.

- ZERO Emission Train Trials - including workshop office space and green hydrogen production and storage.
- Locomotive conversions and maintenance from passenger Diesel Multiple Units (DMUs) and Freight locomotives from diesel and diesel-electric to hydrogen.
- HGV conversions and maintenance (Lorries, Council Vehicles, Buses etc).
- Freight handling facility for intermodal transport Rail to Road / Road to Rail – using hydrogen as a fuel.

To address the above scope, the activities planned are split between the following three discrete feasibility studies:

1. A feasibility study that is focused on the concept of a hydrogen fuel cell powered railway system and focus around the design/development and utilisation of the Hub. The Hub includes the capability to maintain and convert diesel and diesel electric to hydrogen. The study will also include the concept of road to rail and rail to road intermodal freight handling.
2. A feasibility study that is focused on the concept of hydrogen fuel cell powered road vehicles (logistics and buses) and incorporating this function into the Hub.
3. A feasibility study that is focused on Hydrogen production, storage and dispensing including a review of the generation options of green Hydrogen, storage options and dispensing systems.

1c Who will deliver the activities?

Caithness Chamber of Commerce will deliver the project on behalf of CNSRP with key activities undertaken by a contractor with the requisite experience to deliver a project with this technical scope. Caithness Chamber of Commerce are best placed to lead this project as it has

been the Chair of the Caithness Transport Forum which has been funded by Dounreay Site Restoration Ltd since 2012. The Caithness Transport Forum is chartered to:

- Work with HITRANS and CNSRP to look at and support innovative solutions to rail in the North Highlands, with regards to both passenger and freight rail.
- To work with all relevant parties to understand the post-COVID requirements for rail travel, as well as the Scottish Government's commitment to rail decarbonisation, and understand/address the impacts these will have on the region.
- To continue to lobby for sustained improvement of the basic service provision on the Far North Line with regards to reliability, journey times, quality of rolling stock, etc, as well as to look at future enhancements to the service.

Caithness Chamber of Commerce has undertaken a benchmark exercise to identify the skills required and indicative costs associated with undertaking the feasibility studies. Jacobs an international engineering and power company who provide 'critical solutions for a more connected sustainable world' were asked to provide benchmark cost, scope and schedule information based on the input of their team of consultants who are experienced in the use of hydrogen technologies for mobility applications.

Jacobs are experts at developing successful business cases for transport investments and gaining approval. They have worked closely with Network Rail and Transport Scotland on business cases for major investments in the past.

In order to deliver the work activities identified in Section 1b, the following expertise has been identified to be directly involved in delivering the project.

- Hydrogen Project Director
- Technical Director
- Director of Quality
- Project Manager - experienced in hydrogen technologies and hydrogen rail feasibility studies
- Subject Manager Expert - transport specialist with experience of the strategic planning of energy transitions and the adoption of hydrogen technologies
- Subject Matter Expert - experienced in planning work on rail vehicle depots and associated facilities as well as rail vehicle modifications and maintenance
- Subject Matter Expert - experience of road vehicle modifications and maintenance
- Subject Matter Expert - experience of rail freight operations

1d How will the activities be delivered?

Our preference is for the appointed contractor (appointed in accordance with Caithness Chamber of Commerce procurement process) to work in an integrated manner with all the key stakeholders who have an interest in the outcomes of the project; these will include representatives of the Caithness and North Sutherland Regeneration Partnership, as well as agencies of the Scottish government and interested industry and community groups.

We plan to undertake each of the three feasibility study in three stages:

- Stage 1 – an initial consideration of the objectives, scope, constraints, risks and assumptions;
- Stage 2 – a first pass definition/filter of the system options based on their pros and cons from the technology, operational and economic perspectives;
- Stage 3 – a second pass assessment of the preferred system option including a more detailed cost-benefits assessment and a roadmap to implementation.

1e Who will be the beneficiaries of the project?

The beneficiaries of the project will be the Caithness and North Sutherland Regeneration Partnership (CNSRP) who are a partnership of the main public sector bodies and the Caithness Chamber of Commerce. CNSRP through the partners are responsible for inward investment and economic development in the area and this project will enable a viable business case for investment to be made in support of the creation of 50+ jobs in the transition to net-zero transportation.

1f Where will the activities take place?

The activities will take place remotely across contractor offices in the UK with the expectation that support will be provided as required reaching back into international footprint of the contractor organisation. COVID restrictions allowing, activities will also take place on site at Georgemas supported by a local presence of relevant contractor personnel at appropriate periods in the project.

1g When will the project start?	Sept 2021	When will the project end?	March 2022.
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1h Which places (district or unitary areas) will benefit from the activity?

Local Authority Area	Approximate percentage of activity / expenditure
Highland Council	100%

If the project would operate across more than 15 local authority areas, please list them in the field below and state the percentage of activity in each area.

N/A

1i What are the key milestones for the development and implementation of the project?

Milestone	Target Month
-----------	--------------



Procurement of Contractor Complete	End Aug 2021
Project Launch with Key Stakeholders (including previous lessons learnt)	Start of Sep 2021
Stage 1 – For each of the 3 x Feasibility Studies Commences	Start of Sept 2021
Stage 2 – For each of the 3 x Feasibility Studies Commences	Start of Nov 2021
Stage 3 – For each of the 3 x Feasibility Studies Commences	Start of Jan 2022
Final Reports for all 3 x Feasibility Studies Complete	End of Mar 2022
Project Review and Evaluation with Key Stakeholders	End of Mar 2022

## Part 2 – Project Impact

For questions 2a-2d, please describe in 500 words or less per question. Please be as concise as possible.

2a What will be the short and long term benefits of the project on its beneficiaries and the wider community?

Short Term

As this is Feasibility Project, the beneficiaries of this project are the Caithness and North Sutherland Regeneration Partnership (CNSRP). In the short term, one objective of this project will be to allow Caithness Chamber of Commerce and member local public sector organisations to develop an action plan for taking this initiative beyond feasibility through concept, design and build, to operate by September 2022.

This will enable CNSRP to understand the economic, technical, legal and environmental risks associated with developing a hydrogen production facility in support of a commercial enterprise. A second objective of the project will allow CNSRP to use the outputs to facilitate engagement with potential project developers based on a clear understanding of the risks and rewards of the project, attract a developer and inform the local community by September 2022.

## Long Term

Delivery of the full-scale project beyond feasibility will create a critical mass of hydrogen expertise and infrastructure in the local area which will lower barriers to attracting further hydrogen related projects – e.g. the decarbonisation of the Dounreay (DSRL) site or the SGN Gas Grids in Thurso and Wick. This initial project will help to de-risk future hydrogen related projects and build local confidence.

The full-scale project would also directly reduce freight traffic on the road network through Scotland to the north coast through the intermodal shift to decarbonised rail and potentially decarbonise the remaining road freight through the conversion of existing HGV vehicles and maintenance and refuelling of newly introduced Hydrogen Fuel Cell HGVs.

The full-scale project will facilitate the conversion, maintenance and refuelling of local authority HGVs, buses and niche vehicles such as Gritters and Refuse Collection Vehicles reducing emissions in local towns and rural areas.

Having a freight hub would allow the development of alternative delivery approaches. Hub to hub transport would remove traffic from the trunk road network and local deliveries supported by short range EV delivery, powered by constrained wind locally.

Skills and Training would be developed locally through the University of the Highlands and Islands campus in Thurso to further advance the capability of the Engineering Technology and Energy Centre (ETEC) and the Environmental Research Institute (ERI).

2b How does the proposal align with local needs and long-term strategic plans for local growth?

The principal public bodies with responsibility for socio economic development in the Caithness and North Sutherland area are :- The local enterprise agency - Highlands and Islands Enterprise (HIE) which enacts Scottish Government policy; The local authority - The Highland Council (THC); The Nuclear Decommissioning Authority (NDA) which has a statutory duty for socioeconomic development in the area surrounding its decommissioning sites. Skills needs and development in the area are developed and supported by The University of the Highlands and Islands (UHI) and North Highland college which are co-located in Thurso and Skills Development Scotland. The local business population is represented by Caithness Chamber of Commerce.

Since 2007 these organisations with the inclusion of Dounreay Site Restoration Ltd have in one form or another been the partners of CNSRP – the Caithness and North Sutherland Regeneration Partnership.

The CNSRP strategy sets as its objective “ To maintain, and if possible increase, the GDP of the Dounreay travel to work area by actively working to promote existing employment, encourage new employment, and promote the area as an attractive location to live and work”.

The strategy seeks to identify the areas of opportunity for realising this objective and the resources required to achieve it. The delivery of the strategy, however, depends on the action plans of Government and its respective agencies that have responsibility in these areas.

CNSRP have set a programme of work comprising Major Projects and Enabling Activities designed to target the creation of circa **2,000 jobs over the next decade to rebalance the economy as the Dounreay site decommissions**. These jobs are expected to be created in mainly technically based industries, with renewable energy at the core of many of these developments.

Caithness Chamber of Commerce with over 220 members of its own is acutely aware of the impact decommissioning of the Dounreay Nuclear Site will have on the local area in terms of economic activity, supply chain sustainability, population, skills and education.

CNSRP Major Projects include activities that would support the transition of a highly educated, highly skilled nuclear workforce into other energy related or highly skilled sectors. For example, under the theme 'Space', Space Hub Sutherland is a Major Project with first launch expected by the end of 2022 which is expected to bring 40 FTE to the local community and a total of 300 FTE throughout Scotland.

Under the Theme 'Energy', two additional pipeline Major Projects are pursuit of the STEP Fusion Reactor which would present a natural transition for the nuclear workforce and local supply chain and exploring Alternative Fuels which explores the decarbonisation of infrastructure and transport. This feasibility project fits into the Alternative Fuels project round Hydrogen, Rail and Heavy Transport. A full-scale project of this nature could attract skilled talent to the CNSRP area as well as offering opportunities for the existing Nuclear workforce and supply chain while meeting UK and Scottish Government net-zero ambitions.

2c How does the project support the Government's Net Zero ambitions or wider environmental considerations? (This is not a requirement for employment support proposals)

Each element of this feasibility project is aligned with the UK Government's net zero ambitions by 2050, Scottish Government by 2045 and Transport Scotland's ambition in decarbonising passenger rail transportation by 2035.

In the UK Government November 2020 'The Ten Point Plan for a Green Industrial Revolution', the following points are consistent with the elements of this project:

Point 2: Driving the Growth of Low Carbon Hydrogen – feasibility into Green Hydrogen Production at the project site using locally available constrained wind power is consistent with the milestone of producing 1GW of Hydrogen nationally by 2025.

Point 4: Accelerating the Shift to Zero Emission Vehicles – feasibility into Rail and HGV conversion and maintenance facilities are consistent with government aim to consult on phasing

out the sale of diesel heavy goods vehicles. Feasibility into low carbon intermodal rail/road freight at the project site complements the government investing £20M in freight trials to pioneer Hydrogen and other zero emission lorries, to support industry to develop cost-effective zero-emission HGV's in the UK.

This project is also aligned with the December 2020 'Scottish Government Hydrogen Policy Statement' which states in Section 8. Hydrogen in Transport: that regions across Scotland are 'now driving forward coordinated strategies to harness the opportunities for linking up transport demand, green energy generation and innovation in product developments in the application of fuel cells to a growing range of vehicles types and transport modes'. Exploring the feasibility for a Hydrogen Rail and HGV Test facility at this site complements this ambition.

In exploring zero-emission intermodal freight model, this project addresses the concern raised in Scotland's National Transport Strategy (NTS2) which states that 'we must support a swift transition to new, low and zero emission modes of transport. This will require a mix of technology and behavioural shifts, all underpinned by fast-paced innovation and commitment.'

At Georgemas Direct Rail Services (DRS) operate a Nuclear Waste Transport Service and have been directed under the NDA's Beacon Project- Net Zero Roadmap to increase the amount of 'electrified' (assumed to be net-zero) railway use to 50% by 2040. In parallel, The Transport Scotland Decarbonisation Action Plan and the Network Rail – Traction Decarbonisation Network Strategy are aligned on seeking 'alternative traction' options for the Far North Line rather than bearing the cost of electrification.

This feasibility study will also consider how to make the complete operation at the site net-zero by involving the Environmental Research Institute at the University of Highlands and Islands.

2d How does the project demonstrate innovation in service delivery?

This project aims to demonstrate innovation in service delivery by combining green industrial revolution and net zero policy themes around UK and Scot Gov net zero ambitions.

This feasibility study will take an integrated approach to the decarbonisation of the Far North Rail Line and Road Freight Transportation in the North Highlands and address decarbonisation, green building and heating, creating green skills and providing green jobs while providing a template for developing other community green energy initiatives in rural, remote or island communities.

The study will integrate the following themes:

- Use of Renewable Energy - The utilisation of local green onshore wind power to power the generation of hydrogen by electrolysis

- The Move to a Hydrogen Economy - The trialling of small-scale hydrogen production storage and refuelling. Exploring the opportunities for scaling to stimulate demand and reduce overall operating costs.
- Decarbonisation of Rail Transport - The decarbonisation of passenger and freight rail transport on the Far North Line where the facility could be used to convert and maintain Diesel Multiple Units and locomotives for use on other UK rail lines where 'alternative traction is required' in place of electrification
- Decarbonisation of Road Transport - The decarbonisation of HGV freight movements and the shifting of freight to rail reducing road congestion
- Creation of Green Jobs - The creation of approximately 50 FTE green jobs in support of the hydrogen production and testing and conversion of DMU's and locomotives.
- Creation of Green Skills - The development of skills courses from apprenticeship through Masters level at the University of the Highlands and Islands Environmental Research Institute.
- Research – Exploring hydrogen transport, fuelling systems and alternative freight handling models.

The contractor who will deliver the activities in this project should be selected for their international experience in Hydrogen rail project execution and track record of delivery integrated 'whole systems' projects focused on community socio-economic benefits.

2e Which groups will your UK Community Renewal Fund project target?

*Please describe below and complete Annex A – Project Impact Indicators*

The 3 x feasibility studies in this project aim to verify the following:

- Highly skilled engineering jobs to the order of 50+ direct FTE will be available at the Georgemas Hydrogen Hub related to the production and handling of Hydrogen, maintenance and conversion of rail and road diesel or diesel electric vehicles and managing an intermodal freight hub.
- A minimum 12 Businesses of varying sizes including construction, engineering design and technical support, site and facility management and security will be engaged in both direct Georgemas Hydrogen Hub operations and support activities through the local supply chain.
- A minimum of 9 Organisations will be engaged through research with the Hydrogen Accelerator at the University of St Andrews, research and local skills development including tertiary courses at the University of Highlands and Islands ETEC and engagement with the 6 public sector members of CNSRP.

2f Please describe how you have considered the equalities impacts of your proposal, the relevant affected groups based on protected characteristics, and any measures you propose in response to these impacts.

As a membership organisation equality, diversity and inclusion run through Caithness Chamber of Commerce as we seek to represent as many businesses (sole traders and micro-through to plcs) across multiple sectors. Our business support programmes, initiatives, activities and contracts look at being inclusive ensuring that nobody is excluded based on protected characteristics. In terms of the project, diversity is about recognising difference and acknowledging the benefit of having a range of perspectives in decision-making. Inclusion is where difference is seen as a benefit, and where perspectives and differences are shared, leading to better decisions and outcomes for the project and the future community developments which arise based on the projects recommendations.

2g What UK Community Renewal Fund Outcomes will the project deliver?

*Please describe below and complete Annex A – Project Impact Indicators*

The project will deliver:

- 3 x feasibility studies as outlined in Section 1b.
- 1 x Carbon Management Plan as part of the design/development feasibility for the Hub
- 1 x Innovation Plan as part of the design/development feasibility for the Hub

2h How have the outcomes been estimated?

The outcomes are based on the deliverables' activities recommended by the benchmarking contractor based on their extensive experience across the project areas.

2i Would you expect to achieve any of these outcomes without UK Community Renewal Fund support?

No, the likely outcome of the receiving UK Community Renewal Fund Support would be that the project would not go ahead. This would mean a missed opportunity to do a feasibility study with the Hydrogen and Rail expertise of a suitably qualified contractor. This lack of expertise would severely hamper the ability of CNSRP to bring a Hydrogen Hub to the area in support of providing alternative traction for the Far North Line and creating highly skilled green jobs.

### **Part 3 - Funding Package**

3a How much UK Community Renewal Fund investment is sought?

Please also complete Annex B – Funding Package and Profile

Caithness Chamber of Commerce is seeking £114,744.61 from the UK Community Renewal Fund.

3b Does the funding package include any match funding? If so, how much?

When will any funding that is not in place be secured?

Yes, Highlands and Islands Enterprise have in principle offered £10,000 in support of this project. The funding will be in place by the end of July 2021.

3c What will the funding package be spent on?

The funding package total is £124,744.61 (£114,744.61 + £10,000) ex VAT and it will be spent as follows:

- Contractor Fees (Budgetary) for Delivery of the 3 x Feasibility Studies - £113,404.19 ex VAT

(11 people, 1216 billable hours total)

Role	Hourly rate	Billable hours	Total	Investment hours	Investment total
Project Sponsor	£ 118.75	0	£ -	46	£ 5,462.50
Project Director	£ 111.58	0	£ -	192	£ 21,422.84
Subject Matter Expert	£ 121.87	96	£ 11,699.07	96	£ 11,699.07
Project Manager	£ 117.06	240	£ 28,094.18	240	£ 28,094.18
Tech Support	£ 60.75	240	£ 14,580.73	240	£ 14,580.73
Tech Support	£ 60.75	240	£ 14,580.73	240	£ 14,580.73
Subject Matter Expert	£ 106.27	96	£ 10,201.59	96	£ 10,201.59
Subject Matter Expert	£ 161.91	96	£ 15,543.75	96	£ 15,543.75
Subject Matter Expert	£ 87.97	104	£ 9,149.29	104	£ 9,149.29
Subject Matter Expert	£ 99.60	52	£ 5,178.99	52	£ 5,178.99
Subject Matter Expert	£ 84.15	52	£ 4,375.86	52	£ 4,375.86
		1216	£ 113,404.19	1408	£ 140,289.53

- Evaluation and Project Management – undertaken internally by Caithness Chamber of Commerce (as per minimum in guidance note and in place of the 15% of staff costs ) - at 10% = £11,340.42 ex VAT

3d How has the overall budget been estimated, what has been done to test that it is accurate, how would any unexpected costs be managed?

Contractor Fees have been provided by Jacobs as part of a benchmarking exercise. They have broken down by role in the project, hourly rate and billable hours for transparency. The budget is based on previous work Jacobs have performed in the Hydrogen and Rail sectors

as well as being calibrated against previous project work Jacobs have quoted for or undertaken on behalf of Caithness Chamber of Commerce.

Unexpected project costs could be managed through the additional 192 hours Jacobs have suggested could be committed to the project as a contractor investment, non-billable. This would equate to an additional 15.7% of hours capacity on the project and would have to be verified through the procurement process and appointment of a contractor.

#### Part 4 – Project Applicant Experience and Capacity

Please limit your responses to each question to 250 words or less. Please be as concise as possible.

4a What experience does the organisation have of delivering this type of activity?

Caithness Chamber of Commerce has a track record over 12 years of delivering projects on time, within budget and value for money, benefitting both the area and the local business community. It has a track record of delivering high value projects as well – over a 4 year period it delivered a £1.7m skills transition project upskilling 800 individuals from Dounreay and the supply chain. It therefore believes it is well placed to deliver this project professionally, on time and within budget.

Jacobs are suited to benchmark this project as they have experience in the following rail, bus and vehicle conversion project areas:

**Metrolinx, Toronto Hydrail Feasibility Study** – Jacobs led a techno-economic assessment of using hydrogen fuel cell powered EMUs and Locomotives to operate a large commuter rail network in Ontario, Canada.

**San Bernardino County Transportation Authority** - Jacobs are technical advisors for the procurement of a Zero Emissions Hydrogen Fuel Cell Multiple Unit train for (SBCTA) in California, USA.

**Transport Scotland** - Hydrogen Fuel Cell Electric Bus and Vehicle. Jacobs is providing technical and project leadership for developing a Hydrogen Fuel Cell Electric Bus and vehicle project. This includes the installation of hydrogen refuelling infrastructure and conversion of vehicles as part of a regional and national government funded project. Our client on the project is Transport Scotland.

**Angel Trains, Porterbrook and Translink Northern Ireland Railways** - Jacobs has undertaken a range of design and assurance work for vehicle modifications, including conversions of propulsion equipment, and complete vehicle refurbishments.

4b Describe the resources (e.g. staff) the organisation has available now to deliver the project?



Caithness Chamber of Commerce will need to procure a contractor organisation to deliver the project. Overall Project Management will be overseen by the Chamber of Commerce in close co-ordination with Contractor Project Manager.

4c If the organisation will have to recruit staff or appoint contractors what plans are in place to manage the risk of delay?

In appointing contractors our procurement procedure will include SMART goals to ensure our contractors deliver on time and within budget. Delays are also mitigated through regular scheduled project updates to ensure that elements previously identified as project risks are considered and managed appropriately in advance of their ability to impact the project critical path.

4d Describe the systems and processes that will be used to ensure only costs directly related to the project will be included in grant claims.

Chamber of Commerce will procure the contractor using our standard procurement policies. The purpose of these financial regulations is to provide control over the totality of Chamber of Commerce resources and provide assurances that the resources are being properly applied for the achievement of Chamber of Commerce's business objectives:

- financial viability
- achieving value for money
- fulfilling its responsibility for the provision of effective financial controls over the use of public funds
- ensuring that the Chamber of Commerce complies with all relevant legislation
- safeguarding the assets of the Chamber of Commerce.

## Part 5 – Project Risk Management

Please limit your responses to each question to 250 words or less. Please be as concise as possible.

5a Summarise the key risks to the project in Annex C – Project Risks

The key Project Risks are:

- The project outcomes are not clearly defined
- The scope of evaluation topics are not clearly defined
- Unwilling stakeholder or stakeholder engagement delay
- Greater uncertainty or complexity in the assessments than anticipated
- Uncertainty around the accuracy of cost information provided by suppliers
- The evaluation of key criterium are missed or underestimated

5b Describe the process and that will be used to monitor risk.

The tool that will be used to manage the risk associated with these works will be ARM (Active Risk Management). The following process will be used to manage the risk over the lifecycle of the project.

Identify – Part complete (to be finalised with client post contract award)

Analyse – Part complete (to be finalised with client post contract award)

Plan Risk Response - Part complete (to be finalised with client post contract award)

Monitor and Control – Ongoing process managed by project team throughout the delivery process. The output is then fed back to the client organisation.

## Part 6 – Evaluation

6a A key objective of the UK Community Renewal Fund is to try new ways of delivering activity to businesses and people. It is important that projects are robustly evaluated and that learning is shared with others.

Please limit your responses to around 500 words and describe

- how the project will be evaluated, in terms of how it was delivered and its impact on clients
- how the findings of the evaluation will be disseminated

The project will be evaluated by a partnership of CNSRP members including the applicant and the appointed contractor and will primarily consist of 'Stage Gate' reviews at the end of Stages 1 to 3 for each Feasibility Study within the project. A post project review will be held to consolidate the lessons learned for distribution among the CNSRP partners, the applicant and the contractor as a basis for discussion at the launch of future projects.

**Lessons Learnt** – a post project review meeting will take place between the parties which will review the risk matrix for the project and identify any additional learnings based on the effectiveness of the mitigation in place where a risk either impacted the project, or had the potential to impact the project but preventative action was taken. The outputs of the post project review will also include the following evaluations which will come out of the Stage Gate Reviews for each of the 3 Feasibility Studies.

**Appropriateness of initial design** – prior to the contract award, detailed discussions concerning the scoping and design of the project will be held with the contractor to ensure these are aligned with the defined outcomes of the project. These discussions will also be held at each Stage Gate Review to ensure alignment between design and output to move effectively between Stages while keeping the ultimate Project Outcomes in sight.

**Progress against targets** – The Stage Gate Reviews will monitor the progress around the Milestones set out in this application (section 1i) and mitigate the cause of any cost overruns or time slippage through the use of non-billable time agreed with the contractor at contract award. Details of any cost/time overruns will be included in the lessons learnt.

**Delivery and Management** – Project Progress Meetings held fortnightly as a minimum will maintain the relationship of the applicant and the contractor and the final lessons learnt will

consider the behavioural aspects of the delivery and management of the project including access to project partners, COVID impacted working practices (virtual/face-to-face), Communications methods and styles, and messaging and managing expectations.

**Outcomes and Impact and Value for Money** – In the short term, the Project Progress Meetings will ensure that activity and outcomes delivered match the budgeted spend and that variances are mitigated to bring the project back on track. Strict procurement procedures will ensure that cost overruns are borne by the contractor as part of their ‘investment in kind’. In the long term, the value for money and the impact of the project will be realised through a benefits realisation process lead by CNSRP partner member, Highlands and Islands Enterprise at the point the project leads to an investment to create the Geogemas Hydrogen Hub.

The findings of the evaluation will be disseminated through the CNSRP partners into their respective organisations.

### Part 7 – Subsidy Control

All bids must also consider how they will deliver in line with subsidy control (or State Aid for aid in scope of the in Northern Ireland Protocol) as per UK Government guidance: <https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities>

7a Does any aspect of the project involve the provision of subsidies (or State Aid)?	NO
7b If yes, briefly explain how the subsidies or state aid are compliant with the UK’s subsidy control regime as set out in the guidance.	
N/A	

### Part 8 - Branding and Publicity

Guidance on the branding and publicity requirements for the UK Community Renewal Fund is set out in the Fund Technical Note for Project Deliverers.

8a Please confirm that you have read and will comply with all aspects of the Fund branding and publicity requirements.	YES
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### Data Protection

Please note that the Ministry for Housing Communities and Local Government (the Department) will be a Data Controller for all UK Community Renewal Fund-related Personal Data collected with this form and submitted to the Department, and the control and processing of Personal Data.

Mayoral Combined Authorities, the Greater London Authority, County Councils or Unitary Authorities, have been designated as a 'Lead Authority' in Great Britain for the UK Community Renewal Fund. Each Lead Authority has been invited to run a local bidding process and will be a Data Controller for all UK Community Renewal Fund related Personal Data collected with the relevant forms as part of this process, and the control and processing of Personal Data, where such applications are not submitted to the Department for consideration.

The Lead Authority (in Great Britain) and the Department will process all data according to the provisions of the Data Protection Act 2018 and the UK General Data Protection Regulation 2018 (UK GDPR) all applicable laws and regulations relating to processing of Personal Data and privacy, including, where necessary, the guidance and codes of practice issued by the Information Commissioner and any other relevant data protection regulations (together "the Data Protection Legislation (as amended from time to time)").

As a Processor of UK Community Renewal Fund-related Personal Data your organisation and the Lead Authority (when acting in Great Britain) must ensure that such Personal Data is processed in a way which complies with the Data Protection Legislation (as amended from time to time).

By proceeding to complete and submit this form, you consent that the Lead Authority (in Great Britain) and its contractors where relevant, and the Department, and its contractors where relevant, may process the Personal Data that it collects from you, and use the information provided as part of the application to the Department for funding from the UK Community Renewal Fund, as well as in accordance with its privacy policies. For the purposes of assessing your bid the Department may need to share your Personal Data with other Government departments (such as the Department for Work and Pensions) and departments in the Devolved Administrations and by submitting this form you are agreeing to your Personal Data being used in this way.

Data Controller, Personal Data, Personal Data and Processor all have the meaning given to them in the Data Protection Legislation (as amended from time to time).

**You can find more information about how the Department deals with your data here:**

<https://www.gov.uk/government/publications/uk-community-renewal-fund-prospectus>

## Part 9 - Project Applicant Statement

I declare that I have the authority to represent the project applicant in making this application. I understand that acceptance of this application form by the Lead Authority (in Great Britain) or the Ministry for Housing Communities and Local Government (the Department) does not in any way signify that the project is eligible for funding under the UK Community Renewal Fund or that any such funding has been approved towards it.

On behalf of the project applicant and having carried out full and proper inquiry, I confirm to the Lead Authority (in Great Britain) and the Department that:

- the project applicant has the legal authority to carry out the project; and
- the information provided in this application is accurate.

I also confirm to the Lead Authority (in Great Britain) and the Department that:

I have informed all persons whose personal information I have provided of the details of the personal information I have provided to you and of the purposes for which this information will be used, and that I have the consent of the individuals concerned to pass this information to you for these purposes;

I consent to the Personal Data submitted with this form being shared as set out in this form and in accordance with the Lead Authority's Privacy Policies (in Great Britain) and the Department's Privacy Policies;

I shall inform the Lead Authority (for Great Britain projects) if, prior to any UK Community Renewal Funding being legally committed to the project applicant, I become aware of any further information which might reasonably be considered as material to the Lead Authority or the Department in deciding whether to fund the proposal;

For Northern Ireland projects, I shall inform the Department if, prior to any UK Community Renewal Funding being legally committed to the project applicant, I become aware of any further information which might reasonably be considered as material to the Department in deciding whether to fund the proposal;

Any match funding that has been set out in part 3 will be in place prior to any award of UK Community Renewal Funding; and

I am aware that if the information given in this application turns out to be false or misleading, the Lead Authority (where relevant) or Department may demand the repayment of funding and/or terminate a funding agreement pertaining to this proposal.

I confirm that I am aware that checks can be made to the relevant authorities to verify this declaration and any person who knowingly or recklessly makes any false statement for the purpose of obtaining grant funding or for the purpose of assisting any person to obtain grant funding may be prosecuted. A false or misleading statement will also mean that approval may be revoked and any grant may be withheld or recovered with interest.

I confirm that I understand that if the project applicant commences project activity, or enters in to any legally binding contracts or agreements, including the ordering or purchasing of any equipment or services before the formal approval of the project, any expenditure is incurred at the organisation's own risk and may render the project ineligible for support.

For and on behalf of the project applicant Name:	<b>Trudy Morris</b>		
Position	<b>Chief Executive</b>	Date	<b>14.05.21</b>

## Annex A – Project Impact Indicators

1a Which groups will your UK Community Renewal Fund project target?

Main Indicator	Indicator Subset	Target Group	Number
People	Economically Inactive	N/A	N/A
	Unemployed	Skilled Technical Workers	Feasibility Studies looking to verify if skilled jobs could be created and sustained.
	Employed	Skilled Technical Workers from the Nuclear Site looking to transition.	Feasibility Studies looking to verify if skilled jobs could be created and sustained.
	Total		Feasibility Studies looking to verify if 50+ skilled jobs could be created and sustained.
Businesses	Small <sup>1</sup>	Engineering and Technical Support Services	Feasibility studies looking to verify the number of business to benefit.
	Medium <sup>2</sup>	Engineering and Technical Support Services	Feasibility studies looking to verify the number of business to benefit.
	Large <sup>3</sup>	Engineering and Technical Support Services	Feasibility studies looking to verify the number of business to benefit.

<sup>1</sup> <https://www.legislation.gov.uk/ukpga/2006/46/section/382>

<sup>2</sup> <https://www.legislation.gov.uk/ukpga/2006/46/section/465>

<sup>3</sup> Any business that does not qualify as a small or medium business

	Total		Feasibility studies looking to verify minimum 12 businesses to benefit.
Organisations	Public	CNSRP	The 6 members.
	Private	Universities for Research and Skills development. Caithness Chamber of Commerce.	Feasibility studies looking to verify minimum 3.
	Voluntary Sector	N/A	N/A
	Total		Feasibility studies looking to verify 9 Organisations to benefit.

1b What types of support will you provide via your UK Community Renewal Fund project?

Main Indicator	Indicator Subset	Proposed Support Type	Number
Direct support	1 to 1	N/A Feasibility Study	N/A Feasibility Study
	1 to many	N/A Feasibility Study	N/A Feasibility Study
Financial Support (£s)	Grant	N/A Feasibility Study	N/A Feasibility Study
	Voucher	N/A Feasibility Study	N/A Feasibility Study

1c What UK Community Renewal Fund Outcomes will the project deliver (see Technical Note for Project Applicants and Deliverers for details)?

Outcome	Total
Feasibility Studies Developed as a Result of Support	3 Studies.

Organisations engaged in knowledge transfer activity following support	9 Organisations – Contractor, CNSRP (8 Members including CCoC)
Innovation plans developed as a result of support	1 Plan
Decarbonisation Plans developed as a result of support	1 Plan
If the project would deliver more than 10 UK Community Renewal Fund outcomes, please list them in the field below and state the total for each outcome.	
N/A	

Annex B – Funding Package and Profile			
	<b>Amount</b>		
(a) UK Community Renewal Fund Requested	£114,744.61		
(b) Other Public Funding	£10,000	In place	July 2021
(c) Private Funding	£0	In place	N/A
(d) Total Project Costs (a+b+c)	£124,744.61		
Expenditure Profile. How much will be spent in:			
Jul – Sept 2021	£38,300		
Oct – Dec 2021	£38,300		
Jan – Mar 2022	£48,144.61		
<b>Total</b>	£124,744.61.	Must equal (d) YES	
How much of the budget will be spent on capital costs?	£0	0%	
If the project will deliver under more than one of the UK Community Renewal Fund's investment priorities, please estimate how much will be spent under each theme			



Investment in skills	15%	Investment for local businesses	15%
Investment in communities and place	70%	Supporting people into employment	0%

## Annex C – Project Risks

### Project Risk Management

Please be as concise as possible.

Summarise:

- the key risks to the delivery and success of the project
- who is responsible for managing the risk, the Owner
- the probability of the risk occurring, is it high, medium or low?
- what would be the impact of the risk, high, medium or low?
- The mitigation plans in place to manage the risk occurring or to deal with the risk if it does occur

Risks Description	Owner	Probability (H,M,L)	Impact (H,M,L)	Mitigation
The outcome requirements of the feasibility studies are not sufficiently clearly defined.	CNSRP/Contractor	L	H	Contractor will define the specific questions that the feasibility study is intended to answer and ensure that they are validated at the start of the studies.
The scope of evaluation topics are not clearly defined.	CNSRP/Contractor	L	H	CNSRP/Contractor will confirm the scope of topics that will be considered in the studies, technical, economic, commercial, safety, operations, maintenance etc.
Any key stakeholders that may not be willing to fully engage or delay their engagement.	CNSRP/Contractor	M	M	Contractor will give early briefings to key stakeholders who they would like to obtain input from. They will work closely with CNSRP to resolve issues where they don't receive the expected collaboration.
There is greater complexity or uncertainties in the assessments than anticipated.	CNSRP/Contractor	L	M	CNSRP/Contractor will isolate the key areas of complexity and where necessary make clearly defined and reasonable assumptions in order to complete the feasibility studies on time.

				Contractor will evaluate and identify the potential impact of these assumptions in their feasibility study reports.
Uncertain accuracy of cost information provided by suppliers	Contractor	M	L	It is expected that there will be bias in cost estimates provided by suppliers. Contractor will be experienced in handling this type of information. For key cost items they will attempt to obtain estimates from at least 3 suppliers and they will evaluate the appropriate level of contingency to include.
The evaluation of key criterium are missed or underestimated.	CNSRP/Contractor	L	H	Contractor will follow a thorough Quality Control process using an experienced assessor to evaluate the draft versions of the feasibility study reports.

## Annex D – General Guidance for Completing the Application Form

The application must be completed and submitted in Word.

Provide describe the project as simply as possible. Do not use technical terms, explain any acronyms. If an assessor cannot understand the project it cannot be assessed against the selection criteria and the bid will be rejected.

Some sections of the form contain guidance on the number of words to be used. Additional information and text in excess of any limits will not be considered. If possible use fewer words. The assessment of bids will be based on the information provided in the Application Form only. **Do not attach appendices or include links to websites.**

The UK Government will not contact bidders to clarify any aspect of submitted bids.

### Part 1 - Project Summary

Full details of the investment priorities are set out in the Prospectus. Bids must demonstrate how they align with at least one of the priorities.

If the proposed project intends to deliver under more than one priority, provide an estimate of the percentage of funding that will be spent under each priority in Annex B – Funding Package and Profile.

**1 b – 1 f** Clearly explain what the project intends to do and how it will be done. Be as straightforward as possible. If it helps to use diagrams these can be inserted into the application. When reviewing your bid consider the following questions from the point of view of someone who knows nothing about the organisation or the project:

- is it clear what the project would do?
- is it clear who will deliver the activities, who is involved and their roles?
- is it clear how, when and where the project will be delivered (ie. will the project deliver one to one support, one to many events/activities, will it be delivered in a specific location, on business or personal premises)?
- is it clear which individuals and businesses will benefit from the project, is there a focus on certain groups of people or types of businesses?
- is it clear how the project activities reflect the investment priorities?

If the project will work with people or businesses, you can summarise the customer journey using a flow chart showing specific project activities. A logic model or theory of change may also help explain your proposal.

**1 h.** List the local authority areas that may benefit from the project. For projects working with people or businesses this should be based on the location of the intended beneficiaries. In Great Britain, the relevant local authority area is as set out in the [list of places](#).

A project may be delivered in a single area or cover several areas. A project may operate in all parts of a local authority area or focus on particular locations.

**1 i.** These key milestones must link to the proposed activities and demonstrate that the project is deliverable by 31 March. Do not include milestones relating to the approval of the bid. Consider:

- securing internal approvals for the project or any other funding
- establishing the project team
- procurement for external services/suppliers
- project launch and recruiting beneficiaries
- key points on the beneficiary journey

Projects will be monitored against these milestones.

## **Part 2 - Project Impact**

**2 a.** Consider the impact on the beneficiaries and what the organisations involved in delivering the project hope to learn from it. Summarise the objectives of the project. These should be specific, measurable, achievable and time constrained. Set out how the project responds to any market failure or delivery inefficiency.

In part 5 explain how performance against these objectives will be evaluated.

**2 b.** Describe how the project activities and expected impacts contributes to local priorities set out in local plans. When lead authorities invite bids, they will identify the key local growth priorities they have chosen to focus on.

**2 c.** This section is not a requirement for bids submitted entirely under the ‘supporting employment’ investment priority. Projects under the employment investment priority will not be disadvantaged during the assessment and prioritisation of bids because this criterion does not apply.

Explain how the project would contribute to the UK Government’s Net Zero or wider environmental considerations. Projects should be based on low or zero carbon best practice, adopt and support innovative clean tech where possible and support the growing skills and supply chains in support of Net Zero where possible.

As a minimum projects should meet the clean growth principle and must not conflict with the UK's legal commitment to cut greenhouse gas emissions to net zero by 2050.

**2 d.** Describe how the project demonstrates innovation in service delivery for example:

- introducing new delivery approaches
- new integrated approaches across policy themes or
- collaboration across areas
- testing existing approaches with different types of beneficiaries
- new ways of using digital technology to support beneficiaries

Trying new ways of working is riskier and in some cases can be more expensive than established ways of working. This will be taken in account during the assessment and prioritisation of bids and during the monitoring of successful projects.

**2 e.** Complete Annex A of the application – Project Impact Indicators.

Provide any further information on the groups or sub-groups of people or businesses the project would work with. Describe how the number in each group has been estimated.

**2 f.** The UK Government is required to consider equalities impacts in line with the Equality Act 2010. This questions helps us understand how equality considerations have shaped the design of the project and the extent to which [groups with protected characteristics](#) have been considered and any mitigations proposed. It does not form part of the assessment process.

**2 g/h.** Complete Annex A of the application. Provide any further information on project outcomes and explain how the figures have been estimated. For example, explain the relationships between the number of intended final beneficiaries and the outcomes you intend to achieve?

Projects will be required to report on the number and type of beneficiaries supported and the outcomes achieved.

**2 i.** Describe what would happen if the bid to the UK Community Renewal Fund is unsuccessful. Would the project proceed on a smaller scale, would the activities be undertaken in a different way or at a later date, or would none of the activities occur?

### **Part 3 - Funding Package**

**3 b.** Match funding is any funding other than funding from the UK Community Renewal Fund that will be used to meet project costs. This includes from the project applicant or other organisations

including income from beneficiaries. Please set out who match funding will come from, where relevant.

If the project relies on match funding and it is not secured, explain when it is expected to be secured and what the impact would be if it is not secured.

**3 c.** Summarise the amount that will be spent under the main areas of expenditure. The breakdown must be detailed enough to demonstrate that the funding package and budget is appropriate to the proposed activities and sufficient to deliver the project.

Examples of the types of headings to use are:

- staff costs - salaries and contractual benefits, National Insurance and superannuation contributions
- overheads, at 15% of staff costs
- business travel, subsistence and accommodation
- fees of contractors and consultants
- costs of materials or venue hire
- marketing and publicity costs
- grants provided to end beneficiaries
- training participant costs e.g. allowances, travel expenses
- dependent care costs of training participants
- small items of equipment
- evaluation
- external audit cost (Northern Ireland)

VAT that cannot be recovered from HMRC as part of the VAT system is eligible for support. Estimate the amount of irrecoverable VAT the project would incur in section 3 c.

**3 d.** Describe how the figures provided in section 3 c were estimated. For example

- staff costs of X posts at salaries of £Y pro-rata for Z months of activity
- grants of between £X and £Y at an average of £Z per grant multiplied by the number of expected beneficiaries
- materials at a cost of £X per beneficiary multiplied by the number of expected beneficiaries

Explain what has been done to test the budget is accurate and how any unexpected costs or cost increases would be managed.

## **Part 4 – Project Applicant Experience and Capacity**

**4 a - c.** The deliverability of projects is significant element of the criteria that will be used to assess bids to the UK Community Renewal Fund. It is important that we can have confidence that organisations that are offered funding are able to implement their projects quickly and effectively.

As the UK Community Renewal Fund is seeking innovation and new ways of working it is not essential that applicant organisations have a track record in delivering similar projects. It is however essential that organisations can draw on relevant experience and are able to demonstrate they have or will have access to the resources and expertise they need to deliver the project.

If the project will recruit staff or appoint contractors, this should be included in the project milestones. Describe the contingency plans that are in place to manage the risk if there are delays.

**4 d.** Project costs must be based on the actual expenditure incurred in delivering the project, evidenced through invoices or other transactions. Describe the process and controls the organisation would use to ensure only costs related to the project are included in grant claims.

Describe how the project will manage the risk of the project being defrauded by beneficiaries, contractors or members of staff. If the project involves grants, describe how fraud risk will be managed at key stages of the grant process. UK Community Renewal Fund projects may be selected for audit visits by the lead authority (GB) or the UK Government (GB & NI).

## **Part 5 – Project Risk Management**

Complete Annex C. This should provide a clear summary of the key risks to delivering the project activity and achieving the project's objectives.

**5 b** Describe how the risk identified in Annex C will be monitored, what systems will be used, who is responsible.

Be realistic, projects rarely run exactly as planned. The project must demonstrate that risks have been considered and appropriate plans are in place to keep the project on track.

## **Part 6– Evaluation**

The project's evaluation budget must be set out in part 3 c. of the application. This should be 1-2% of the amount of UK Community Renewal Fund requested, with a minimum threshold of £10,000.

**6 a.** Describe how the project will be evaluated. Evaluation should consider both the impact of the project and lessons from the process of how the project was delivered.

Evaluators should generally be independent of the project and have appropriate evaluation expertise. However, in the case of smaller projects this may not be necessary or cost effective and an



evaluation could be undertaken in-house, in which case it should still be undertaken by someone with the necessary skills and be subject to independent review.

The approach will vary depending on the scale and nature of each project. However, all evaluations are expected to consider the following themes:

- appropriateness of initial design
- progress against targets
- delivery and management
- outcomes and impact
- value for money
- lessons learnt

Describe how the evaluation will be used to inform future activity and how it will be shared with others.

#### **Part 7 – Subsidies and/or State Aid where relevant**

**7 a/b** If the project will provide support to businesses or public / voluntary sector organisations that are operating in a commercial way there is potential for this support to represent a subsidy.

If the project would involve the award of subsidies explain how this will be managed in line with the UK's obligations. For example small scale awards can be managed under the threshold for Special Drawing Rights (or De Minimis where State Aid applies).

If the project provides support to businesses but you feel this does not constitute a subsidy explain why.

#### **Part 8 - Branding and Publicity**

Please confirm that the project will comply with branding and publicity requirements set out in the Fund Technical Requirements and Guidance document. Failure to do so will mean your bid is rejected.

# UK Community Renewal Fund

## Assessment Process

The UK Government has set out how it will assess the shortlisted applications put forward by lead authorities (The Council).

Therefore it only makes sense that the assessment process adopted by the Council to enable it to shortlist the applications received, follows the same format.

The UK Government propose to adopt a two staged approach:

### **Stage 1: Gateway Criteria**

Projects must pass nine gateway criteria to be considered for selection to be scored. In certain circumstances a partial meeting for gateway criteria will be considered as a pass.

### **Stage 2: Scoring**

Projects are scored against two criteria Strategic Fit and Deliverability, effectiveness and efficiency. Each criteria has 5 sub-criteria and is given a mark out of 5 which is then converted to a percentage score. If the proposed project is predominantly focused on a priority area it must score 50% to be shortlisted. If it is not, then it must score a minimum of 80%.

To assess the predominant focus of project, the UK Government will determine whether the majority of spend (51% or over) is in priority places listed. As Highland is not a priority place, the minimum score must therefore be 80% across both criteria.

Once the projects are scored and shortlisted, and the Highland projects have at least scored 80% across both criteria, the projects are banded. Any Highland projects shortlisted will be in Band B (with Band A being highest, and Band C lowest).

In addition to selecting projects based on a projects score and prioritisation of place, UK Govt Ministers can exercise discretion to meet the following finite set of additional considerations:

- Ensuring a reasonable thematic split of approved projects
- Ensuring a balanced spread of projects across Great Britain
- Ensuring the split across priority and non-priority places gives appropriate regard to priority places
- Where no distinction can be made between two or more projects (score and prioritisation of place), a value for money decision will be made

In selecting projects, the maximum cap will be £3m per place (Highland) but there is no minimum amount per place.

**Project: .....**

**Stage 1: Gateway Criteria**

<b>Criteria</b>	<b>Comment</b>	<b>Pass/Partial/Fail</b>	<b>Proceed to scoring?</b>
Project delivered by 31 March 2022 (i.e. all expenditure incurred)		PASS Required	
Project responds to identified need in prospectus		PASS/PARTIAL required	
Project does not duplicate other national or local provision		PASS/PARTIAL required	
Project does not conflict with national policy		PASS/PARTIAL required	
Project delivered by legally constituted body who can receive public funds		PASS Required	
Project proposal delivered in line with subsidy control/State Aid requirements		PASS/PARTIAL required	
Project delivered in line accordance with branding requirements		PASS Required	

**Project: .....**

**Stage 2: Scoring**

<b>Criteria 1: Strategic Fit</b>			
<b>Sub-criteria</b>	<b>Comment</b>	<b>Scoring</b>	
1. Level of contribution to local needs articulated in local plans and evidence of local support (as min must demonstrate strategic fit (see appendix 1) and reference local needs)		(0-5 for each sub-criteria)	(Sum all scores and convert to a percentage)
2. Level of contribution to an articulated investment priority (see appendix 1) (as a min projects must articulate the priority groups; proposed project activities and applicable interventions (including how interventions will deliver and contribute to relevant fund outcomes))			
3. The extent of contribution to net zero objectives or wider environmental objectives (see appendix 2) (does not apply to employment support interventions) (as a min should meet clean growth principle and not conflict with UK legal commitment to cut emissions to net zero)			

(score higher if actively supporting progress to net zero)			
4. The extent to which the project can inform UK Shared Prosperity Fund through transferable learning or opportunity to scale up (as min must commit to evaluation) (score higher if demonstrable application elsewhere, trialling a response to identified priority)			
5. Extent to which project demonstrates innovation in service delivery (score higher if intro new delivery approaches; integrated delivery approaches; collaboration across more than one place)			

<b>Criteria 2: Deliverability, effectiveness, and efficiency</b>			
<b>Sub-criteria</b>	<b>Comment</b>	<b>Scoring</b>	
<p>1. Can it be delivered by March 2022 plus identified milestones (score higher if</p> <ul style="list-style-type: none"> <li>- good understanding across roles and responsibilities, capabilities etc.;</li> <li>- fully secured funding package (or clear/realistic plan to secure before start);</li> <li>- compliant with subsidy control (if relevant);</li> </ul> <p>realistic timetable in resourcing, procurement etc. )</p>		(0-5 for each sub-criteria)	(Sum all scores and convert to a percentage)
<p>2. Project risks identified and mitigated including management controls (score higher if risks identified and mitigating action noted including escalation and contingency plans)</p>			
<p>3. Efficient mode of delivery including value for money assessment (outputs against funding sought; match funding or leverage) (does not apply to employment support interventions) (score higher if can demonstrate how outcomes will flow from interventions; value for money (albeit high costs of innovation recognised at initial stage)</p>			

4. The project will not proceed without funding or could only if on smaller scale (score higher if CRF will bring additional outcomes, benefits and impacts)			
5. An effective monitoring and evaluation strategy has been identified (score higher if credible plan in place to baseline, monitor, data collection and dissemination, and effective evaluation approach)			

## **Appendix 1: Strategic Fit**

### **Sub-criteria 1**

#### **3.2 Investment in skills**

The UK Community Renewal Fund will help equip people with the skills they need to seize new opportunities and ensure their local communities are prosperous and productive. This includes equipping people with the skills they need to capitalise on the opportunities and needs of their local area and meet the needs of an increasingly green and digital economy.

Proposals should form part of the broader local growth bid and be clearly distinct from funding provided through other funding streams such as the Adult Education Budget, Apprenticeships, the Strategic Development Fund and Skills Bootcamps.

We are interested in proposals for innovative projects that address current and emerging local skills needs and are complementary to broader place-based investment. Bids may include, but are not limited to interventions that address:

- **Work-based training** – for example addressing specific local need from local employers for on-the-job training to support local growth, such as taking on trainee builders for a new infrastructure project.
- **Retraining, upskilling or reskilling members of the workforce** – for example helping organisations to identify and understand skills gaps or provide access to financial support for relevant training where the local workforce may require new skills to meet the needs of a local employer or sector and support local economic transitions.
- **Promoting the advancement of digital skills and inclusion** – for example supporting the development of digital skills for digitally excluded individuals, especially where digital exclusion presents a barrier to employment, building confidence in application of basic and advanced digital skills and promoting safety and awareness online.

Proposals should demonstrate their strategic fit and link to local skills and labour market need. Bids need to evidence that the project does not conflict with wider UK government policy. Further details on assessment criteria can be found in [section 6](#) of this prospectus.

#### **3.3 Investment for local business**

Targeted support for local business can help local residents through increased employment, better training and in-work opportunities and creating new entrepreneurial ventures.

We are especially interested in projects that target support for under-represented groups and community-level interventions that can increase opportunity for all, including coastal and rural enterprises.

Investment in pilots can also help create an innovation culture across the UK. This could be through finding new ways to promote green and tech adoption, commercialisation or helping create a pathway for upskilling local businesses through collaborations between higher education and small businesses.



We are interested in proposals for innovative pilots and projects that address local business and innovation needs. Bids may include, but are not limited to, interventions that address:

- **Supporting entrepreneurs and helping businesses with potential to create more job opportunities for current employees or take on new employees** – for example helping businesses to access the specialist support they need such as investor readiness schemes and private sector experts like experienced non-executives.
- **Encouraging businesses to develop their innovation potential** – for example facilitating small businesses grow and to develop new and improved products and services by promoting collaboration and knowledge sharing, including small-scale knowledge transfer activity. This may include nurturing further join up between higher education institutions and small businesses, capitalising on research outcomes and building innovation capacity through development of plans for local innovation facilities and opportunities such as innovation centres and incubation services.
- **Supporting decarbonisation measures** – for example encouraging local businesses and organisations to reduce greenhouse gases through investment in new technology or energy efficiency measures that can have bottom line benefits and improve business productivity.

Proposals should demonstrate evidence their strategic fit and link to local economic and business need. Loan or equity investments are not in scope of this funding. Bids need to evidence that the project does not conflict with UK government policy. Further details on assessment criteria can be found in [section 6](#) of this prospectus.

### **3.4 Investment in communities and place**

Our communities are at the core of our cultural and economic heritage and identity. We need to invest further to maximise opportunities to bring people together, build our social fabric and boost recovery and resilience. In turn, this will create places where people want to work, visit and live. Investing in improving, protecting and creating community and natural assets can boost pride and wellbeing, drive productivity, attract and retain talent, and nurture a unique sense of place.

90% of funding available through the UK Community Renewal Fund is revenue funding. Applicants should calibrate their bids accordingly. Further detail on guiding principles for prospective applicants can be found in section 5.2.1 of this prospectus.

We are interested in proposals for innovative pilots and projects that address community needs and support local places. Bids may include, but are not limited to, interventions that address:

- **Feasibility studies for delivering net-zero and local energy projects** – for example assessing opportunity and viability of green projects that contribute towards our green agenda or net-zero objectives such as installing electric vehicle charging points and coastal investment projects. This may include investing in feasibility studies to assess, for example, scheduling considerations, legal, economic and technical factors for projects that could support local decarbonisation where this brings social or economic benefits to local people and promoting environmentally conscious or collaborative local solutions such as clean energy projects.
- **Exploring opportunity for promoting culture-led regeneration and community development** – for example investing in culture focused feasibility studies and community facilities to attract people to places, including city centres and rural and coastal towns. This may include research for

projects that could generate footfall to support other private-sector businesses, opportunities to improve efficiency and collaboration by joining up local public services to produce better local outcomes or investing in the preservation or enhancement of cultural and sporting facilities such as museums, galleries, visitor attractions, pier restoration and heritage assets.

- **Improving green spaces and preserving important local assets** – for example enhancing natural assets, including green spaces in neighbourhoods and housing estates, to enhance quality of life to attract and retain talent, and attract tourism.
- **Promoting rural connectivity** – for example developing opportunities for digital functionality and physical connectivity to help realise the full potential of rural businesses. This may include exploring proposed innovative ideas for enhancing accessibility and social, economic and cultural opportunities for rural communities, including rural and green infrastructure.

Proposals should demonstrate evidence their strategic fit and link to local community, social or economic need. Bids need to evidence that the project does not conflict with UK government policy. Further details on assessment criteria can be found in [section 6](#) of this prospectus.

### **3.5 Supporting people into employment**

We need to act to reduce the additional barriers some people face to employment in order to enable them to take advantage of the economic opportunities as the UK moves forward.

Investment here will help places provide local, tailored, wrap-around support to those furthest from the labour market – focusing on individuals who find it difficult to engage with mainstream provision or for whom mainstream provision is not an option. This will support people in overcoming a variety of additional barriers to employment or mainstream programmes which they are unable to fully utilise without additional support.

This should be additional to other public support and may support but not duplicate, other government initiatives and core departmental provision (such as the Adult Education Budget or the Flexible Support Fund).

Bids should also demonstrate how their proposal will complement mainstream activity, such as the Kickstart Scheme, Restart Programme and other Plan for Jobs initiatives, highlighting what wrap-around support is being proposed, and how the target audience will be identified and engaged.

Pilots should draw upon and enhance multi-agency delivery teams, including the community and voluntary sector along with public provision. They should bring together a range of service providers to embed and provide a coordinated service to support individuals along the journey to employment.

We are interested in proposals for innovative pilots and projects that focus on delivering bespoke programmes, utilising a needs-based approach to support individuals to overcome their multiple or complex barriers which inhibit their ability to gain employment. These pilots should support those most disengaged from the labour market. Bids may include, but are not limited to, interventions that address:

- **Supporting people to engage with local services which support them on their journey towards employment** – such as bringing together multi-agency teams to join up a variety of services around an individual to address the variety of barriers to employment they may face; or key-worker support to connect individuals with existing public or voluntary provision.

- **Identifying and addressing any potential barriers these individuals may face in gaining employment or moving closer to the labour market** – such as the use of key-worker support to work with beneficiaries to identify barriers to employment; working with and connecting individuals to the most appropriate services throughout the employment journey.
- **Raising aspirations, supporting individuals to access Plan for Jobs employment support, jobs and find sustainable employment** – such as providing holistic support to address the long-term barriers to employment including but not limited to: support for alcohol and drugs interventions, skills for life such as timekeeping, confidence building and, employability support, including work experience, CV writing or interview preparation.
- **Supporting people to gain the basic skills they need to develop their potential for sustainable work** – such as English, Maths, Digital and English for Speakers of Other Languages skills and training courses. Other suitable provision could include support intended to develop communication, interpersonal and presentation skills.
- **Testing what works in helping people move towards work** – such as testing new initiatives which support people along the employment journey to understand how different interventions, or targeting approaches, can maximise the effectiveness of employment programmes aimed at those furthest from the labour market.

These pilot projects should enable us to test various interventions with a view to providing an evidence base to understand what really works in supporting people into employment. They should test ways of working collaboratively at a local level, taking a multi-agency approach, working with Jobcentre Plus and including the community and voluntary sector to provide the complete suite of support that those with additional or complex barriers might face. Proposals should demonstrate evidence their strategic fit and link to local labour market and employability needs. Bids need to evidence that the project does not conflict with UK government policy. Further details on assessment criteria can be found in [section 6](#) of this prospectus.

## **Appendix 2: Strategic Fit**

### **Sub-criteria 3**

#### **3.1.1 Contributing to our Net Zero and environmental objectives**

This Government's Net Zero ambitions represent a key pillar in our commitment to build back better. We are focused on delivering the kind of growth that levels up, reduces emissions, and cements our status as Global Britain.

Investment made under this Fund should be able to demonstrate the extent of contribution to net zero objectives or wider environmental considerations. Projects should be based on low or zero carbon best practice, adopt and support innovative clean tech where possible and support the growing skills and supply chains in support of Net Zero where possible. As a minimum, investment under this fund should meet the clean growth principle and must not conflict with the UK's legal commitment to cut greenhouse gas emissions to net zero by 2050.

To support green growth, bids should also consider how projects can work with the natural environment to achieve project objectives, and – at a minimum – consider the project's impact on our natural assets and nature. For further information on how to take these considerations into account, see the [Enabling a Natural Capital Approach \(ENCA\) resources](#).

This is not applicable to interventions focused on supporting people into employment. Further detail on UK-wide selection criteria can be found in [section 6](#) of this prospectus.

## HCCF Procurement Best Practice

PUBLIC SECTOR APPLICANTS		OTHER APPLICANTS
<p>For applicant organisations subject to the Public Contracts (Scotland) Regulations, public sector procurement rules apply for the purchases of any goods and services funded under HCCF.</p> <p>To check if your organisation is subject to public procurement rules get in touch with Scottish Government procurement - <a href="mailto:SPOEprocurement@scotland.gsi.gov.uk">SPOEprocurement@scotland.gsi.gov.uk</a></p> <p>Listed below are some organisations that are subject to public procurement rules:</p> <ul style="list-style-type: none"> <li>● Local Authorities</li> <li>● Architecture &amp; Design Scotland</li> <li>● Crofting Commission</li> <li>● Food Standards Scotland</li> <li>● Health Boards</li> <li>● Health Improvement Scotland</li> <li>● Health &amp; Social Care Partnerships</li> <li>● Historic Environment Scotland</li> <li>● National Library of Scotland</li> <li>● National Museums of Scotland</li> <li>● Scottish Further &amp; Higher Education Funding Council</li> <li>● Scottish Natural Heritage</li> <li>● Scottish Fire &amp; Rescue Service</li> <li>● Police Scotland</li> <li>● National Park Authorities</li> <li>● Organisations established by any of the above (or combination)</li> <li>● Organisations financed wholly or mainly by a contracting authority</li> <li>● Organisations subject to supervision by another contracting authority (or where more than half of the board of directors/members/individuals are appointed by a contracting authority;</li> </ul>		<p>All other applicants will be required to demonstrate how they have achieved value for money in relation to their project costs.</p> <p>Applicants will usually be expected to select the lowest quote but, if the cheapest quote is not selected, applicants will be expected to provide a written explanation. Applicants may wish to utilise independent expertise to justify choices – e.g. Chartered Surveyors.</p> <p>As a rule, the HCCF team will assess reasonableness of costs against the procurement guidelines overleaf.</p> <p>If applicants are not able to meet these procurement guidelines they must agree an alternative in writing with the HCCF team in advance of any purchasing or commissioning</p> <p><b>IMPORTANT NOTE:</b> The onus is on the applicant to justify/evidence reasonableness of costs and to provide all relevant supporting documentation to the satisfaction of HCCF.</p> <p>Adopting an unacceptable approach to procurement may prevent HCCF grant payments from being released.</p>

### HCCF Procurement Threshold/Guidelines:

<b>Project Expenditure</b>	<b>Procurement Guidelines</b>
All aggregated project costs from one supplier <b>totalling £500 to £5,000</b>	At least two quotes but HCCF would expect applicants to consider reasonableness of project costs and achieving best value
All aggregated project costs from one supplier totalling <b>between £5,000 - £49,999</b>	HCCF would expect applicants to evidence value for money by seeking at least 3 quotes
All aggregated project costs relating to <b>Goods and Services</b> from one supplier totalling <b>between £50,000 - £173,933</b>	HCCF would expect applicants to evidence value for money by providing evidence of formal tendering including a copy of the tender advert and all tender documents
All aggregated project costs relating to <b>Capital Works</b> from one supplier totalling <b>between £50,000 - £4,348,349</b>	HCCF would expect applicants to evidence value for money by providing evidence of formal tendering including a copy of the tender advert and all tender documents
For procurement guidelines relating to aggregated project costs relating to <b>goods and services</b> from one supplier and <b>totalling £173,934 and over</b> please contact the HCCF Team.	
For procurement guidelines relating to aggregated project costs relating to <b>capital works</b> from one supplier and <b>totalling £4,348,350 and over</b> please contact the HCCF Team.	
<b>Project Staff Recruitment</b>	HCCF would (unless otherwise agreed) expect applicants to provide evidence of having openly advertised any project staff posts

**NOTE 1:** There may be occasions when fewer than the required number of quotes can be obtained. For example, the item may be a particularly specialised piece of equipment, which is only produced by one or two suppliers. In such circumstances, the applicant will be asked to provide an explanation as to why the required number of quotes have not been provided. A decision will then be made on the legitimacy of that explanation. That decision will have to take into account a number of considerations, including the reason for the shortfall and the reasonableness and proportionality of insisting on the correct number of quotes.

**NOTE 2:** Applicants will usually be expected to select the lowest quote provided. However, if the cheapest quote is not selected, applicants are required to provide a written explanation for the quote selected. Circumstances for not selecting the cheapest quote include, but are not limited to:

Where the applicant could save money through utilising a maintenance or repair contract which they currently hold with the nominated supplier; The location of the supplier: for example if the supplier is close to the town in which the project is based thereby reducing travel time if problems occur; If a particular company provides an aftercare service deemed desirable for the item; or If a company is offering a make or model which is already utilised by the applicant and the cheaper quotes cannot.

In deciding whether it is appropriate for a higher priced quote to be selected, applicants should have regard to general procurement policy and the focus on value for money, which means “the optimum combination of whole-life cost and quality to meet the user’s requirements.”

Other factors to be taken into account when considering the suitability of the quote selected include: Quality; Price; Technical merit; Aesthetic and functional characteristics; Environmental characteristics; Running costs; Cost effectiveness; After sales service; Technical assistance; Delivery date and period; and Period of completion.

## **DATA SHARING AGREEMENT: UK COMMUNITY RENEWAL FUND**

### **MINISTRY OF HOUSING, COMMUNITIES AND LOCAL GOVERNMENT AND THE HIGHLAND COUNCIL**

**THIS AGREEMENT** is made the 17<sup>th</sup> day of June 2021

#### **BETWEEN**

**THE MINISTRY OF HOUSING, COMMUNITIES AND LOCAL GOVERNMENT** of 2  
Marsham Street, London, SW1P 4DF (“**MHCLG**”)

and

**The Highland Council, The Highland Council Headquarters, Glenurquhart Road,  
Inverness, IV3 5NX**

It should be noted that we have signed the document with the caveat that, in relation to paragraph 12.1, the Highland Council is subject to the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004 and not the information legislation stated in the definitions and terms

#### **1. BACKGROUND**

1.1 The UK Community Renewal Fund (UKCRF) is providing £220m to help local areas prepare for the introduction of the UK Shared Prosperity Fund (the Programme). It aims to support people and communities most in need across the UK to pilot programmes and new approaches and will invest in the following themes: skills; community and place; local business; supporting people into employment.

In Great Britain, the UK Government is running a competitive process and we have assigned a Lead Authority for each place in Great Britain. Each Lead Authority will be responsible for inviting Project bids for a place, appraising Project bids and submitting a Project shortlist to UK Government.

Project bids forming part of locally appraised shortlists, including any Personal Data, will be submitted to MHCLG (the Department) for assessment and approval. Each Lead Authority will be a Joint Data Controller for these purposes.

Each Lead Authority has been invited to run a local bidding process and will be a Data Controller for all UK Community Renewal Fund related Personal Data collected with the relevant forms as part of this process, and the control and processing of Personal Data, where such applications are not submitted to MHCLG for consideration.

These bids, or parts thereof, including Personal Data will be shared with other government departments, and where appropriate, devolved administrations, to provide advice to the Secretary of State for Housing, Communities and Local Government in taking investment decisions.

1.2 Personal Data is being shared as an essential part of the UKCRF bidding process, so that the Department can consider applications submitted and seek advice where relevant, and for monitoring purposes.

Selection decisions will be based solely on applications submitted for UK Community Renewal Fund investment, but Personal Data may be used to identify Project applications submitted, including cross-referral to other applications made by the same organisation, in order to complete Project assessments.

1.3. An impact assessment screening questionnaire has been carried out and it has been determined that a full Data Protection Impact Assessment is not required. The Personal Data shared should be limited to a lead contact's name, organisation or personal email address, address and phone number. There are not considered to be any significant risks arising from sharing data for these purposes.

Sharing personal data will ensure relevant information is taken into account as part of the UKCRF assessment process, including identifying any applications submitted to more than one Lead Authority for deliverability and fraud and risk purposes.

1.4. This Agreement exists to provide a framework for compliance with UK data protection provisions and the Human Rights Act 1998, including the data protection principles at article 5 of the UK GDPR, and taking account of the [Information Commissioner's Code of Practice on Data Sharing](#).

**IT IS NOW AGREED** as follows:

## **2. DEFINITIONS AND INTERPRETATION**

2.1 In this Agreement the following words and phrases shall have the following meanings, unless expressly stated to the contrary:

**“Authorised Representatives”** means the nominated lead officer representing each of the parties with delegated authority to handle the day-to-day matters arising from this Agreement;

**“Data Controller”** has the meaning in article 4(7) of the UK GDPR;

**“Data Processor”** has the meaning in article 4(8) of the UK GDPR;

**“Data Protection Legislation”** means all applicable data protection and privacy legislation in force from time to time in the UK including, as defined at s.3(9) of the DPA 2018 (DPA); the UK GDPR; regulations made under the DPA 2018; and regulations made under s.2(2) of the European Communities Act 1972 which relate to the EU GDPR or the Law Enforcement Directive;

**“Data”** means the data shared under this Agreement. In the case of this Agreement, this means the submission of Personal Data limited to a lead contact's name, organisation or personal email address, address and phone number, submitted as part of a UKCRF application form, and shared through means of electronic communication (secured email) on a government IT system that is set-up to prevent cyber security attacks;

**“Data subject”** means the subject of the Personal Data. In the case of this Agreement, this means a lead contact for a UKCRF application and their organisational or personal contact details;

**“DPA 2018”** means the Data Protection Act 2018;



**“Environmental Information Regulations”** means the Environmental Information Regulations 2004, as amended, together with any guidance and/or codes of practice for their application issued by the Information Commissioner or relevant government department in relation to such Regulations;

**“FOIA”** means the Freedom of Information Act 2000 (as amended);

**“Information Asset Owner”** means the senior/responsible individuals involved in running the Programme responsible for what information is held, what is added and what is removed, how information is moved, and who has access and why;

**“UK GDPR”** means [Regulation \(EU\) 2016/679](#) of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of [section 3](#) of the European Union (Withdrawal) Act 2018;

**“Lead Authority”** means Mayoral Combined Authorities, the Greater London Authority, County Councils or Unitary Authorities, designated as a ‘Lead Authority’ in Great Britain for the UK Community Renewal Fund;

**“Parties”** means the parties to this Agreement, namely MHCLG and The Highland Council

**“Personal Data”** has the meaning in article 4(1) of the UK GDPR;

**“Processing”** has the meaning in article 4(2) of the UK GDPR;

**“Programme”** means the UK Community Renewal Fund;

**“Project”** means an application for funding from the UK Community Renewal Fund and associated data; and

**“Request for Information”** means a request under FOIA or the Environmental Information Regulations.

2.2 Headings are included in this Agreement for ease of reference only and shall not affect the interpretation or construction of this Agreement.

2.3 References in this Agreement to Clauses, Paragraphs and Annexes are, unless otherwise provided, references to the Clauses, Paragraphs and Annexes of this Agreement.

2.4 In the event and to the extent only of any conflict or inconsistency between the provisions of this Agreement and the provisions of any document referred to or referenced herein, the provisions of this Agreement shall prevail.

### **3. COMMENCEMENT AND TERM**

3.1 This Agreement shall commence when dated following signature by the Parties and shall continue in effect until the 31 July 2023 in accordance with the requirements of this Agreement

3.2 The Parties may, by mutual consent in writing, agree to extend or amend this Agreement for a period to be agreed between them.

#### **4. USE OF PERSONAL DATA**

4.1. To support the assessment of Projects submitted to the Programme, MHCLG will receive Project applications from Lead Authorities in Great Britain. Bids submitted into the Programme will be sent by Lead Authorities via e-mail to MHCLG. MHCLG will share applications, including Personal Data, with relevant departments for assessment and for advice. MHCLG will share:

- a. all employment Projects with the Department for Work and Pensions
- b. all skills Projects with the Department for Education
- c. all projects pertaining to Scotland with the Office of the Secretary of State for Scotland

As required, MHCLG may also share Project information, in full or in summarised form, with Her Majesty's Treasury, Cabinet Office, the Department for Business, Energy and Industrial Strategy, Department for Environment, Food and Rural Affairs and Department of International Trade.

Applications submitted by bidding entities may also be shared between relevant government departments for the purposes of moderation to ensure consistent standards are applied in the Programme's assessment process.

Applications may also be shared with departments in the Devolved Administrations.

#### **5. PURPOSE OF DATA SHARING**

5.1 The purpose of the data sharing covered by this agreement is to enable accurate and timely assessment of UKCRF Projects, and subsequently to support monitoring and evaluation of the assessment process, in pursuit of MHCLG's Accounting Officer and due diligence responsibilities.

MHCLG will not receive or share any special category of data.

#### **6. LAWFUL BASIS FOR PROCESSING THE DATA**

6.1 The following are the lawful bases in data protection legislation under which MHCLG will process the personal data:

- Article 6(1)(e) of the UK GDPR - the processing is necessary for MHCLG to perform a task in the public interest or in the exercise of official authority.
- Section 8d of the DPA 2018 clarifies that performance of a task in the public interest will include processing of personal data that is necessary for the function of a government department
- the function and necessity in this case is that sharing of personal data is required in order to achieve timely and accurate assessment of Projects, to inform selection decisions for UKCRF. In order to rely on article 6(1)(e), article 6(3) UK GDPR requires there to be a separate legal basis laid down in law to justify the processing. MHCLG is relying on its common law powers to justify this processing: *the Secretary of State for Housing, Communities and Local Government relies on the common law powers of the Crown as the separate legal basis for this processing.*

## **7. THE PROCESS FOR SHARING DATA**

The data shared between the Parties will be stored within electronic folders that will only be accessible to a limited number of staff in each department. This data will be shared with MHCLG by Lead Authorities or applicants by electronic communication, and subsequently shared with other government departments where required through means of electronic data-sharing software (Sharepoint or Delta) on a government IT system that is set-up to prevent cyber security attacks. In addition to this, all staff members have been trained on using their IT safely and securely. The frequency of sharing data will be at application stage, moderation stage, and when required by the relevant department or Lead Authority following selection.

## **8. PERSONAL DATA COVERED BY THIS AGREEMENT**

8.1 In the assessment of Projects, Personal Data - namely bidder contact name, emails, phone numbers, will all be shared in conjunction with application details, between Lead Authorities, departments and the Devolved Administrations in order to receive timely and accurate information and advice to inform MHCLG's assessment of Projects. All Personal Data will be held securely on a governmental IT system, where only those permitted to access the data will be allowed to do so.

## **9. PROTECTION OF PERSONAL DATA**

9.1 MHCLG and The Highland Council agree to share the Personal Data only as set out in this Agreement.

9.2 In relation to any third-party Processors appointed by the Parties to process the shared Personal Data, the Parties shall comply with Data Protection Legislation in relation to that appointment and shall remain liable to the data subject for the acts and/or omissions of the processor.

9.3 MHCLG and The Highland Council will maintain the levels of security under this Agreement throughout the process.

9.4 MHCLG and The Highland Council shall not disclose or transfer data outside the UK.

9.5. MHCLG and The Highland Council will each ensure that all staff involved in the processing of Personal Data under this Agreement have received appropriate data protection training.

## **10. RETENTION AND DESTRUCTION OF DATA**

10.1 If a bid is successful, data will be held by the Department for up to two years from the closure of the bidding process. This is currently estimated to be until 31 July 2023. MHCLG will routinely contact successful bidders as part of the monitoring process to ensure our records are up to date.

10.2 Should a bid be unsuccessful; the Department will routinely erase the Personal Data included as part of the Project Application.

## **11. LOSS OR UNAUTHORISED RELEASE**

11.1 MHCLG and The Highland Council will report to all Parties any loss or unauthorised release of the Personal Data no later than 48 hours after the loss or unauthorised release is identified (comes to their attention). In the case of a Personal Data breach, the data controller shall without undue delay and, where feasible, not later than 72 hours after having become aware of it, notify the Personal Data breach to the Information Commissioner's Office (as supervisory authority competent in accordance with article 55 UK GDPR), unless the Personal Data breach is unlikely to result in a risk to the rights and freedoms of natural persons. Where the notification to the supervisory authority is not made within 72 hours, it shall be accompanied by reasons for the delay.

11.2 MHCLG and The Highland Council acknowledge that any loss or unauthorised release of the Personal Data can be treated as valid grounds for immediately terminating this agreement by any party.

## **12. FREEDOM OF INFORMATION**

12.1 MHCLG and The Highland Council acknowledge that the information is subject to the requirements of the FOIA and the Environmental Information Regulations and shall assist and cooperate to enable compliance with their information disclosure requirement in relation to the Project and/or Programme.

## **13. RIGHTS OF DATA SUBJECTS**

13.1. MHCLG and The Highland Council as joint data controllers will ensure that the processing of the shared Personal Data is fair and transparent and the data subjects' right to be informed under the Data Protection Legislation is met.

13.2. Data subjects have the rights of access accorded by article 15 of the UK GDPR, including the right to see a copy of the information held about them. MHCLG and The Highland Council as joint data controllers will each be responsible for responding to subject access requests, under their respective policies and procedures, that each receives. MHCLG and The Highland Council will aim to respond appropriately to any subject access or other rights request within one month of receipt. If the request is more complex, MHCLG and The Highland Council will respond to rights requests within the appropriate legislative timeframe.

## **14. ACCURACY OF DATA**

14.1 MHCLG and The Highland Council will ensure the accuracy of shared data – namely that there are no changes made by MHCLG or The Highland Council to the Personal Data submitted by the Project applicant, except where the Project applicant has notified either party of a change to their details. This will be reviewed as part of monitoring processes for live projects.

## **15. CORRECTING DATA**

15.1 The Parties will respond appropriately, under their respective policies and procedures, to any requests to correct the data they have shared.

## **16. AUTHORISED REPRESENTATIVES**

16.1 MHCLG and The Highland Council will each appoint an Authorised Representative to be the primary point of contact in all day-to-day matters relating to this Agreement:

16.2 For MHCLG

Name: Laura Koch

Postal Address: Ministry of Housing, Communities and Local Government, Fry Building, 2 Marsham Street, Westminster, London SW1P 4DF

E-mail address: [REDACTED]

Telephone number: [REDACTED]

16.3 For The Highland Council

Name: Malcolm MacLeod

Postal Address: Highland Council HQ, Glenurquhart Road, Inverness, IV3 5NX

E-mail address: [REDACTED]  
[REDACTED]

## **17. STATUTORY COMPLIANCE**

17.1 The Parties shall comply with all relevant legislation, regulations, orders, statutory instruments and any amendments or re-enactments thereof from the commencement of this Agreement.

## **18. DISPUTE RESOLUTION**

18.1 The Parties shall each appoint a nominated representative to whom any disputes arising from the operation of this Agreement shall be referred.

18.2 If the Parties are unable to agree a matter arising under the terms and clauses of this Agreement, such a dispute shall be referred to the senior officers of the nominated representatives for resolution. The decision of the senior officers shall bind all Parties and be treated as resolving the dispute.

18.3 The Parties shall, where a dispute cannot be resolved by agreement between their senior officers, appoint an adjudicator whose decision shall be final.

18.4 In the event of a dispute or claim brought by a data subject or the Information Commissioner's Office concerning the processing of shared Personal Data against either of the Parties, the Parties will inform each other about any such disputes or claims, and will cooperate with a view to settling them amicably in a timely fashion.

## **19. REVIEW OF AGREEMENT**

19.1. This is anticipated to be a single-event data share, related to the assessment and selection of UKCRF Projects and is not expected to be reviewed.

**AS WITNESS** of which the Parties have set their hands on the day and year first above written

**SIGNED** for and on behalf of

JENNY DIBDEN, FUNDING DELIVERY DIRECTOR

**THE INFORMATION ASSET OWNER AT THE MINISTRY OF HOUSING, COMMUNITIES AND LOCAL GOVERNMENT**

By:

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Name:

Title:

Date:

**SIGNED** for and on behalf of

Executive Chief Officer – Infrastructure and Environment

**THE INFORMATION ASSET OWNER AT THE HIGHLAND COUNCIL**

By:

Malcolm MacLeod

Name: Malcolm MacLeod

Title: Executive Chief Officer – Infrastructure and Environment

Date: 17.06.21