

Agenda Item	6
Report No	RB/12/21

HIGHLAND COUNCIL

Committee: Recovery, Improvement and Transformation

Date: 23 August 2021

Report Title: Levelling Up Fund/Community Renewal Fund Bid Update

Report By: Executive Chief Officer Infrastructure, Environment and Economy

1. Purpose/Executive Summary

1.1 The purpose of this report is to update the Board on the Levelling Up Fund and Community Renewal Fund Bids submitted to the UK Government. In addition, the report updates the Board on other work being undertaken in advance of the promised consultation on the metrics to be used for the Shared Prosperity Fund

2. Recommendations

2.1 Members are asked to note the updates provided.

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. The Council has received £125,000 to help build capacity in respect of the Levelling Up Fund.

3.2 **Legal** - No implications

3.3 **Community (Equality, Poverty and Rural)** - All work streams associated with the bids will have positive outcomes.

3.4 **Climate Change / Carbon Clever** - All bids have been 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** - This will be an important part of the culture/tourism element.

4. Recent Activity

4.1 A report was considered at the Highland Council meeting setting out the bids that had been made to the Community Renewal Fund and Levelling Up Fund, in line with previous agreements. The bids were submitted on 18th June. To date, the Council has had no feedback on the likely success or otherwise of the bids. A round table meeting is due to be held on 13th September with local officer representatives from several Scottish local authorities on 13th September 2021, but this is mainly to discuss lessons learned from the first round of bidding rather than any detailed discussions of the bids themselves. Efforts continue to find out a timescale on decisions for both funds, with the Community Renewal Fund bids being the most critical (given that spend is expected by end March 2022).

4.2 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 continued to be held with local stakeholders in both areas, and work is continuing to develop a bid for the later round, which is expected to be in the autumn of this year, although no confirmation on this has been given. An update on this will be given to the Board at the meeting.

5. Lobbying Activity

5.1 As previously reported to Council, it is critical that lobbying activity is maintained on the metrics to be used to determine the prioritisation of funding for the Shared Prosperity Fund, which is expected to be the long-term replacement for EU Structural Funding. The Leader is continuing to make representations and a number of pieces of work have been undertaken to support this.

5.2 Since the last Council meeting a detailed socio-economic profile has been prepared, as well as a report commissioned with the Fraser of Allander Institute. This report examines the indicators used for prioritisation through the Levelling Up Fund, focussing on Highland Council area. Although not fully finalised, the emerging findings are as follows:

- That the indicators used to demonstrate the need for economic recovery and growth may miss crucial economic factors that will impact considerably on Highland's economic resilience. Some of these measures, such as working age population density, or the outlook for the population, are readily available and could be considered for inclusion in any future assessment of need.
- The differential impact that COVID-19 is likely to have on certain parts of the country should also be considered in decisions on investment. The modelling shows that Highland is likely to be one of the areas hardest hit by the pandemic, given its sectoral make up.
- Given the focus on investment in transport connectivity in the Levelling Up prospectus, it is critical that the relative need for transport investment is captured for Scotland. Highland Council, and other remote and rural areas, would likely be given much higher priority if this was done.

- The need for economic regeneration is currently captured fairly crudely. Many of the indicators, particularly around demography, could be considered relevant for signalling the need for investment to change to projected outcomes.
- The geography of Highland and its 10 separate labour markets make it much more tricky to make the case that different projects within the local authority area impact on one another.

5.3 Members will be sent the final version of the report, which will help strengthen the case for Highland to better represented within the metrics used to determine priority.

Designation: Executive Chief Officer – Infrastructure, Environment and Economy

Date: 16th August 2021

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