

Agenda Item	11
Report No	HC/20/21

## HIGHLAND COUNCIL

**Committee:** Highland Council

**Date:** 9 September 2021

**Report Title:** Future Highlands – Health and Prosperity Strategic Partnership Plan

**Report By:** The Chief Executive

### 1. Purpose/Executive Summary

- 1.1 Members are asked to support the development of a “Future Highlands” strategy to articulate an ambitious collaborative approach to progressing 5 Strategic Partnership Priorities (SPPs) around the interconnected themes of green energy; social care reform; people; place; and shared investment opportunities. All of the priorities are derived from existing previously approved Council approaches contained in the Council Programme, the Budget Strategy and the Indicative Regional Spatial Strategy for Highland. The intention is to identify those elements where pro-active collaboration will have derive greatest benefits for the Highlands and bring these together into a single partnership strategy.
- 1.2 There has been initial informal discussion with a number of the Council’s key partners including NHS Highland; Police Scotland; Highlife Highland; Scottish Fire and Rescue Service; Highlands and Islands Enterprise; all of whom support working on a strategic approach focused on a number of jointly identified priority areas taken forward in partnership. If this is supported by the Council, further engagement will be undertaken with these and other public, private and third sector partners with a view to each organisation seeking endorsement from their respective Boards. The draft strategy document itself would be brought forward to Council for approval in October.

### 2. Implications

- 2.1 Resource: There are no specific resource implications arising from this report. However, some of the opportunities highlighted in this report will require financial support and this is explained in the next item on the Council agenda setting out the next phase of investment in the Medium Term Financial Plan Update report. In particular, support for the next phase of the Green Energy Hub; continued visitor management investment; and the establishment of a community loans fund.
- 2.2 Legal: no legal implications.

- 2.3 Impact/Risk: the Council is facing a number of significant challenges relating to the pandemic, climate change and exit from the European Union which are all happening in the context of reducing local government finances. At the same time, the Highlands has a range of unique assets and opportunities which, if capitalised on in collaboration with key public, private and third sector partners, could enable many of these challenges to be mitigated.
- 2.4 Community (Equality, Poverty and Rural): Equality, fairness and access to services is considered in the 3<sup>rd</sup> Strategic Partnership Priority (SPP) theme 'People'; place-based planning and investment in communities is the overriding focus of the 4<sup>th</sup> SPP theme 'Place'.
- 2.5 Climate Change / Carbon Clever: Highlands' approach to climate change mitigation and carbon offsetting would be a major theme in the Future Highlands Strategy. It is the subject of the first SPP theme: Green Energy Hub, and it runs through all of the other themes.
- 2.6 Gaelic: there are opportunities to strengthen collaborative working with Gaelic organisations as part of the Future Highland Partnership Strategy.

### 3. **Recommendations**

- 3.1 Members are asked to:
- I. Consider and approve the development of a Future Highlands Strategy, including further engagement with partners and for the draft strategy to come to Council in October 2021;
  - II. Note that recommendations for investment are contained in the report to Council on Medium Term Financial Plan – Update.

### 4. **Background**

- 4.1 Taking the Christie Principles as a guide, the Future Highlands strategy is intended to take a pro-active collaborative approach to capitalising on the unique opportunities and natural assets available in the Highlands relating to green energy; tourism; workforce; and innovation, science and skills. The intention behind it is to encourage economic stability, recovery and growth which will revitalise Highland communities and towns.
- 4.2 The Strategy would focus on the third strand of the Council's Vision: Ambitious, Sustainable, **Connected**, recognising that Partnership is a strategic driver in the Council's Organisational Framework (Appendix 1). This is the first time these key Council priorities would be brought together in a single document under the strategic partnership umbrella. The approach is underpinned by the Council Programme aims and the Highland Council Budget Strategy and supports the Indicative Regional Spatial Strategy for Highland.
- 4.3 Initial discussions have been held with our key public sector partners. The 5 partnership priorities need to be seen as interlinked rather than standalone and acknowledging and developing the connected characteristics of the priorities will enable partners to make the most of the interconnections; streamlining how resources are allocated and maximising the outcomes that are delivered. The

expectation is that this approach will strengthen the voice and raise the profile of the Highlands in Scotland, the UK and further afield to make the most of opportunities to draw investment into the region.

## **5. Five Strategic Partnership Priorities**

### **5.1.1 Strategic Partnership Priority 1: The Green Energy Hub for Scotland**

Highland is the largest council area in the UK and offers potentially limitless green energy resources. The energy and low carbon sectors in Scotland support tens of thousands of jobs and generated £46.4bn in turnover for Scotland in 2018. The transition to a carbon neutral economy represents a very significant economic, social and industrial opportunity for the Highlands. Low carbon and renewable energy are fast-growing areas of opportunity and have the potential to be significant contributors to the Highland economy. Furthermore, a sustainable and successful energy sector will also underpin wider regional economic growth in the Highlands.

5.1.2 There are a number of partnering opportunities to collaborate on major projects to achieve best value; lever investment; contribute to the delivery of zero emissions; comply with the ban on landfill of residual municipal waste; co-locate and share assets and resources; and jointly tackle the major challenges of housing, infrastructure, economic development and the ageing demographic. Opportunities for collaboration on major projects could include:

- Development of a Green Energy Hub at the Longman, Inverness – see 5.1.3
- Green port - Opportunity Cromarty Firth – see 5.1.4
- New built infrastructure - schools, housing, hospitals, HMP Inverness prison and strategic ports
- Greening the fleet - Shared hub and spoke place-based fleet depot; public and private sector collaborative
- Highland Renewable Investment Fund

5.1.3 Development of a Green Energy Hub: In 2018 a Project Board was established to undertake work on long term options for residual municipal waste of approximately 80,000 tonnes per annum that cannot be recycled. Enhanced Member scrutiny was enabled through the establishment of a cross-party Member Waste Strategy Working Group with regular reporting to a strategic committee and where appropriate to Council. The Project Board commissioned four studies which have been reported through the Member Waste Strategy Working Group and Communities and Place Committee. These have enabled an appraisal of three options and based on the evidence gathered, the preferred option at this time is to derive value from our waste, enabling climate change action and creating a green energy hub.

The waste that currently goes to landfill could provide value by enabling electricity generation for multiple uses including a supply for the grid, for direct use in public buildings, to provide electric charging for fleet, to feed a district heating network and production of hydrogen.

This could support a whole range of Council operations, partner operations and be of interest to a range of high energy using private businesses.

A recommendation is included in the Medium Term Financial Plan Update report to provide £2.8M to develop detailed costed plans for this option, along with an assessment of the benefits and the risks to manage.

- 5.1.4 Opportunity Cromarty Firth: The Council is working with a number of partners through the Opportunity Cromarty Firth (OCF) consortium to promote a range of projects that aim to reinforce and optimise Highland's ongoing contribution to climate action at the national and regional level. This package of projects capitalise on the area's natural assets and unique position to support multi-billion pound offshore wind projects, whilst also secure an economic and social legacy for the area. OCF is recognised as having potential to provide the catalyst for decarbonisation of both Scotland and the Highlands, and for supporting a range of local and national outcomes, as outlined in the Indicative Regional Spatial Strategy which is being promoted on the national stage following approval by Members earlier this year.

To help expedite this approach, and maximise the benefits that OCF can bring, the Consortium are awaiting the opportunity to bid for Greenport or Freeport status which would have significant benefits for the whole of the Highlands. Greenport/Freeport status would provide a package of measures to stimulate further economic activity and investment and make the area more competitive. A coordinated and innovative approach between all public and private sectors will maximise the benefits, including the regeneration of communities. There are clear tie-ins with the Green Energy Hub approach set out in the earlier section, helping to put the Highlands front and centre in terms of addressing climate change and sustainable energy requirements.

The Council has already expressed in-principle support for the Opportunity Cromarty Firth project and officers continue to contribute to the consortium and its future application for Greenport/Freeport status. There is also work underway to understand the Scottish and UK Government position to determine how this might be introduced in Scotland, and to ensure that progress keeps pace with a similar Freeport bidding process underway elsewhere.

- 5.1.6 Opportunities for wider partnership working under the Green Energy theme: If Members support the Future Highlands strategic partnership approach, further work will be done over the next period to engage with public, private and third sector partners to develop the collaborative opportunities highlighted in paragraph 5.1.3 above and ensuring linkages are made, as appropriate, with the other 4 SPPs.

## 5.2 **Strategic Partnership Priority 2: Health - Care Innovation**

- 5.2.1 Demographic challenges: Population ageing poses an immense challenge to future public service delivery in Scotland and particularly in Highland, where the demographic is more pronounced. The increasing impact of this over the past 20 years is evident in pressures on health and social services, the welfare system, and a shortage in labour supply. There is a need to address the pressures facing the public sector services arising from an aging demographic and the exponential resource pressures with radical reform. The imperative for the NHS and wider partners is to shift the balance of care from acute to supported independent care at home.

The Scottish Government is focusing on this issue through implementation of the Feeley recommendations and government programme commitment to reform adult care including consideration of a national care service, proposals for which are out for consultation. This is the subject of a standalone report later on the Council agenda.

5.2.2 Poverty and deprivation: A partnership approach to addressing poverty and deprivation and community wealth building is also needed in our rural and urban settings. Tailored approaches and interventions are required, and inclusive practice and planning is needed in all public investment strategies and public services to ensure a fairer Highland. The Highland Community Planning Partnership works together to improve the following outcomes:

- Poverty Reduction
- Community Participation and Dialogue
- Infrastructure/access to services
- Community Safety and Resilience
- Mental Health and Wellbeing

The Future Highlands health and prosperity strategy would strengthen the work of the Community Planning Partnership and the range of public services provided across the Highlands.

5.2.3 Housing: this theme overlaps significantly with all of the SPPs and so exemplifies the extent to which the 5 partnership priorities need to be seen as interlinked rather than standalone.

Housing policies need to ensure there is sufficient provision, appropriately distributed, that allows for flexible design to enable cost efficient adaptation which meets the changing needs of occupants and addresses wider demographic changes including people living longer with increasingly complex health related needs. This requires an holistic approach to planning and design of future housing, which also takes account of the need for green, energy efficient buildings.

There are opportunities to work particularly with the NHS around specifically designed housing and funding models that can address potential delayed discharge issues in return for NHS capital investment and nomination rights. Health will also be a key partner in delivering the proposed public duty to prevent homelessness. There needs to be a corresponding review of the Highland Housing Partnership allocations policy to make sure it is fit for purpose and maximises accessibility to housing.

Housing is also critical to the Highland's economic wellbeing, with affordable and midmarket properties needed to house key workers, retain young people and families in the region, and support the inward migration of new talented and qualified workers. Innovative ideas are needed and opportunities for the public, private and third sector to deliver targeted housing approaches not available to local authorities can be explored. The Strategy would help to focus partners in adopting collaborative approaches to sustaining and growing the Highland population.

### 5.3 **Strategic Partnership Priority 3: People – Living Healthy, Thriving and Inclusive lives**

- 5.3.1 **Population**: In recent years across Highland, like the rest of Scotland, there has been significant expansion in urban living across our towns and city, and a gradual but persistent decline of the population in rural areas. Forecasts also indicate that parts of Highland will be disproportionately affected by the combination of ageing population and out-migration of young people and so require particular attention.

The character and fabric of existing rural communities are integral to the Highland identity and the Council is committed to preserve and build upon the strengths that bind these communities together. In this regard, the Scottish Government's new drive to address rural repopulation and the recognition of the role that Highland can play in fulfilling this outcome is welcome. This ambition points to the importance of Highland being specifically recognised at the national level as a special case for investment and coordination. These measures will aim to reduce rural fragility across the region and support the national network of rural communities by encouraging and assisting people and families to remain in their home communities where they want to do so; whilst also supporting the work with partners to "sell" the Highland brand to attract high quality employers and employees into these areas.

There is a unique opportunity for the Council to work with Highland partners and communities to establish locally resilient areas, which have sufficient quality access to both virtual and digital services whilst also safeguarding and growing local access to quality, appropriate and affordable housing, educational and medical facilities, employment opportunities, food and energy production, and a range of transport links and leisure and cultural facilities.

- 5.3.2 **Recruitment and Retention**: this strand runs through a number of the Partnership Priority areas. The ability to deliver high quality public services depends upon recruiting, developing and retaining the right people with the right skills. The demography evidences an aging workforce coupled with outward migration of 16-25 year olds creating challenges within an increasingly competitive employment market.

Recruitment and retention for key skilled roles has long been a challenge particularly for NHS partners. The impact of Brexit and COVID-19 on workforce availability has further deepened this problem across all sectors and unskilled labour markets as well as highly skilled posts. Collaboration with partners would be aimed at developing integrated workforce planning strategies to address skills gaps; attract and develop key workers; create opportunities for young people to study in the Highlands; and encourage young people to return after studying outwith the Highlands. There is also a need for national Government policy to reflect the requirement for freer movement of labour.

- 5.3.3 **Investing in young people**: A recent survey of young people aged 18-28 in rural Scotland showed that 98 per cent of young people cited digital connectivity as absolutely essential to their future, whilst only 13 per cent have access to high-speed broadband. They also outlined housing, transport, employment and education

opportunities as the things that mattered to them. All of these issues can be picked up across the 5 partnership priority areas.

5.3.4 Connectivity: Digital and transport connectivity is a must for the long term development of the Highlands and a community planning priority. Working with partners, the Council is supporting the delivery of full fibre to key public buildings, in advance of the Scottish Government r100 Programme. Scottish Government support is required to ensure that the r100 programme meets the needs of the region in a timescale that will capitalise on new economic opportunities. Working with HIE, there is potential to utilise £20m of City Region Deal funding to extend the reach of r100.

5.3.5 Healthy lifestyles: The Highlands has an abundance of natural assets and quality cultural and leisure facilities and offerings across the Highlands to support healthy lifestyles. A strategic approach to how these assets are managed, including joint approaches to community food, tree planting, waste management and a green and healthy environment is only possible through collaboration across the public, private and third sectors and with communities.

#### 5.4 **Strategic Partnership Priority 4: Place – Place-based Planning and Investment in Communities**

5.4.1 Place based collaboration: The Fort William 2040 project and the Skye and Raasay Investment Plan are examples of supporting a cross-sector, collaborative approach to places in Highland. Rolling out similar partnership initiatives and also building on existing arrangements (e.g. Cairngorms National Park Plan) will enable local solutions to local circumstances and support the leveraging of inward investment and improvement opportunities. These include:

- Place based investment plans linked to community wealth building
- Linking business resources and future skills needs to educational courses, school curriculum and apprenticeships
- Communities funds acquisition
- Promoting inclusion through community planning partnerships
- Inclusive community engagement and involvement in local futures
- Affordable and sustainable green housing
- Sustainable, energy efficient and quality public sector assets
- Sustaining and growing Gaelic as a community asset
- Participatory budgeting
- Council-backed Community Loans Fund – recommended in the 9 September 2021 Council report on Medium Term Financial Plan Update

5.4.2 Economic Recovery and Sustained Growth: The economy in Highland is relatively diverse. Many of the key sectors are well established and have contributed significantly to the Scottish economy including land and marine management supplying the food and drink industry, tourism, life sciences, the creative industries, energy, business services and engineering. However, each sector faces opportunities and threats and support is required for them to prosper and allow new and emerging markets, products, activities and methods of operation to develop sustainably.

Partnership approaches will capitalise on opportunities to further diversify the economy and support it with a high-performing digital network. This will reinforce

stability and productivity, giving rise to a culture of innovation, research and development linked with academia and training. Raising the profile of the Highlands will contribute to increased international trade and attract inward investment.

- 5.4.3 Connectivity: The unique character and scale of the Highlands provides significant challenges for the delivery and maintenance of infrastructure, particularly transport. But this also means ongoing investment in lifeline connections is essential for equality of access to services and rural repopulation.

The Council's recent submission of bids to the Levelling Up Fund demonstrates the key local working partnerships that are in place: the development of the NC500, Wick Harbour and town regeneration, and an Inverness green energy regeneration proposal for three key cultural and built heritage assets (Castle, Northern Meeting Park and Bught Park).

- 5.4.4 Tourism and Visitor management: The Highlands is one of the most recognisable and reputable tourism destinations in the world and attracts an increasing number of domestic and international visitors. To ensure the best possible experience, value and longevity of sustainable tourism for the region and Scotland, a coordinated national approach backed up by campaigns and investment are required for managing, educating and supporting the sector in the most sustainable way. The challenge is to support innovative infrastructure improvements which will fortify the continued growth in sustainable leisure, recreation and tourism and provide high-quality year-round employment opportunities.

Recent investment in visitor management by the Council has underpinned the importance of this sector and, working with partners who have also invested, has meant that the support to visitors and communities has been much enhanced this year. A recommendation for further one-off Phase 3 investment is included in the Medium Term Financial Plan Update report, to be considered later on September 2021 Council agenda.

## 5.5 **Strategic Partnership Priority 5: Investment – Financial Investment and Asset Strategy**

- 5.5.1 There is an opportunity through public sector collaboration to facilitate regional, cross-sectoral infrastructure investors to access low cost 'green finance' for community investments. Likewise, greater borrowing power would follow joined up planning and collaboration on major projects such as hospitals, public sector offices and depots, the prison, housing and schools as well as environmental and infrastructure projects. Public sector funding is likely to reduce over time, particularly access to capital. By taking a collaborative approach, available finance can be maximised, wastage minimised and synergies exploited to achieve value for money whilst still delivering high quality public services.
- 5.5.2 Strategic asset management: There are large numbers of ageing buildings across the public sector estate in Highland. A strategic approach to collaborative asset management will provide further opportunities to share premises and for co-location



opportunities to reduce the overall footprint and provide fit for purpose, sustainable and energy efficient public sector buildings for the future.

There are already a number of shared public service buildings in Highland, especially around the Service Point network, libraries and some Council area offices – such as Wick County Buildings. These provide firm foundations on which to build and there is an appetite amongst partners in NHS and other public services to take this further and provide opportunities to streamline operations and deliver improved performance.

As already referenced in SPP 1, there are also opportunities to work collaboratively with partners on how we procure and operate our respective fleet – from cars through to HGVs.

5.5.3 Under the Future Highlands Health and Prosperity Strategic Partnership Plan, the Highland Council would seek to work with partners to design an holistic investment strategy. The following partnership opportunities could include:

- Funding of key projects by the Scottish Government and UK Government
- Highland City Region Deal and a successor Growth Deal 2 (from 2026)
- Opportunities to pool grant funding across public sector partners for joint initiatives
- Crowd funding
- Assets assessment to create greater borrowing guarantorship
- Private investors
- Create shared investment risk opportunities
- Work with the Treasury, private innovators and National Govt linked advisory partners eg AVIVA

## **6. Next Steps**

6.1 Members are asked to consider the proposal to develop a Future Highlands Partnership Strategy and support the collaborative approach being presented to support communities, maximise resources, and strengthen the voice of the Highlands on the national and international stage.

6.2 If Members are supportive, work will continue with internal and external stakeholders to develop greater detail around the SPPs; and the draft Strategy will be brought to Council in October for formal approval. Once agreed, it will be used when engaging with Scottish and UK Governments and potential investors to make the case for additional resources and investment to come to the Highlands.

6.3 Where additional funding is being sought, as with the Green Energy Hub, or supporting visitor management and place-based initiatives through the community loans fund, these are explained in greater detail and put forward for formal approval in the report to September Council on the Medium-Term Financial Plan Update.

Designation: Chief Executive

Date: 30 August 2021

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Enclosures: Appendix 1, Organisational Framework

**HIGHLAND COUNCIL ORGANISATIONAL FRAMEWORK**

AMBITIOUS			SUSTAINABLE			CONNECTED		
We will be high performing and forward thinking, embracing change and challenge			We will be efficient, resourceful and adaptable to deliver for our communities and the environment			We will work together with communities, staff and partners for the best outcomes for Highland.		
Forward Thinking	Can Do	High Performing	Efficient	Resourceful Flexible	Affordable Transparent	Engaging	Listening	Working Together
B	E	H	A	V	I	O	U	R
Council Programme			Corporate Plan			Highland Outcome Improvement Plan		
Corporate Performance Framework			Governance and Assurance			Partnerships		
Transformation and Improvement Strategy			Budget/Change Strategy			Place Based Strategy		
Leadership and Culture	Communications and Engagement Strategy		Workforce Planning Strategy		Digital Strategy			
Service and Operational Plans Employee Development Plans								



