

Agenda Item	<b>14</b>
Report No	<b>HC/06/24</b>

# The Highland Council

**Committee:** The Highland Council

**Date:** 14 March 2024

**Report Title:** Developing a Community Wealth Building Strategy

**Report By:** Chief Executive

## 1. Purpose/Executive Summary

- 1.1 At the Council meeting in June 2023, it was agreed that work would commence to develop a Community Wealth Building Strategy.
- 1.2 Since that time, officers have reviewed the approaches taken elsewhere in the country to consider best practice and have been supported in considering what work is already underway in Highland and the opportunities to progress Community Wealth Building, through the Centre for Local Economic Strategies.
- 1.3 A draft Community Wealth Building Strategy is outlined at **Appendix 1**. The intention is use this as the basis for wider consultation to inform the development further and to shape the action plan that will support the strategy.

## 2. Recommendations

- 2.1 Members are asked to:
  - Consider and agree the draft Community Wealth Building Strategy found at **appendix 1** and note that a period of public engagement on the draft will now commence, with a final strategy coming back for consideration in September 2024.

## 3. Implications

- 3.1 Resource – The strategy will be delivered within existing budgets. It therefore aims to embed Community Wealth Building as an approach into our activity and adapting our approaches in order to maximise the opportunities this approach brings to our communities and the local economy.
- 3.2 Legal – No immediate legal implications however it is anticipated that the Scottish Government may introduce a duty related to Community Wealth Building in the future.

- 3.3 Community (Equality, Poverty, Rural and Island) – Community Wealth Building places fair outcomes for communities at the heart of its principles and seeks to reduce inequalities and socio-economic disadvantage. A screening for impacts has commenced. At this point, potential impacts are anticipated to be positive; in terms of socio-economic opportunities within the local area, and particularly rural areas, for individuals, local businesses and suppliers. The screening will be updated following the consultation process and this will inform the final strategy and associated actions.
- 3.4 Climate Change / Carbon Clever – The Community Wealth Building strategy will contribute to taking action on the climate and ecological emergency and the transition to net zero and is included in the Net Zero Strategy under the Procurement Theme.
- 3.5 Risk - Community Wealth Building encompasses a considerable range of activity. A core consideration is about embedding community wealth building approaches in our business as usual activity. The action plan, which will sit alongside the strategy will need to consider the short, medium and long term priority actions. Resource implications will be an important factor in informing this prioritisation/delivery. It is also important to note that whilst elements of community wealth building are directly at the hands of the Council, partnership working will be fundamental to realising other benefits.
- 3.6 Health and Safety (risks arising from changes to plant, equipment, process, or people) – there are no implications.
- 3.7 Gaelic – there are opportunities to be realised through the development of skills and employment pathways related to Gaelic language and culture and wider economic benefits through the promotion of Gaelic culture.

#### **4. Background**

- 4.1 Community Wealth Building provides an alternative approach to economic development and a practical response that aims to keep wealth within a local area. It is often described as a people centred approach to economic development and aims to ensure every area and community can participate in, and benefit from, economic activity.
- 4.2 The Council's programme includes a commitment to developing a Community Wealth Building Strategy and a paper agreeing this, was considered at the Council meeting in June 2023. Since that time, officers have reviewed the approaches taken elsewhere in the country to consider best practice and have been supported in considering what work is already underway in Highland and the opportunities to progress Community Wealth Building, through the Centre for Local Economic Strategies. A series of thematic workshops supported by CLES have also been held.

4.3 This has led to the development of a draft Community Wealth Building Strategy which is outlined at **appendix 1**. The intention is use this as the basis for wider consultation to inform the development further and to shape the action plan that will support the strategy.

## 5. Draft Community Wealth Building Strategy

5.1 The draft strategy sets out a 3-year vision for taking forward and embedding the Council's approach to Community Wealth Building.

The proposed vision for the strategy is that we will:

**Retain greater wealth and maximise spending within and for  
the communities of the Highlands.**

5.2 It is proposed this is delivered through five key objectives that align with the 5 pillars of community wealth building. These are:

- Objective 1: Spending – using public spend to deliver community benefit, fair work and build local supply chains.
- Objective 2: Fair Employment – ensuring the workforce are in well paid jobs that benefit from an effective voice, security and flexibility.
- Objective 3: Land and Property – ensuring that communities maximise benefit and generate wealth from local land and property.
- Objective 4: Financial Power – ensuring that the flows of wealth generated within the local economy works for the wellbeing of communities and businesses.
- Objective 5: Inclusive Ownership – stimulating the development and growth of locally owned enterprises that generate community wealth.

5.3 Under each objective, the draft strategy outlines areas of work that already support Community Wealth Building across Highland and also proposed areas for development. Examples of these include:

### Objective 1: Spending

- Developing a community benefit from procurement strategy which will aim to maximise community benefit opportunities and provide a consistent approach across services.
- Maximising local spend through procurement practices including development of a supplier development plan which will support small to medium enterprises, social enterprises co-operatives and community owned enterprises to bid for opportunities.

### Objective 2: Fair Employment

- Developing a strategy for the future workforce which will deliver a more co-ordinated approach to skills and training.
- Maximise the opportunities through the skills and innovation opportunities presented by the Green Freeport development.

### Objective 3: Land and Property

- Promoting community and local ownership models through both community asset transfer and targeting of local funds
- Repurposing assets for local housing to enable key worker accommodation both mid-market rent and low-cost home ownership
- Delivering childcare solutions across our communities that will enable opportunities for full time employment and support for developing innovative solutions for delivering childcare.

### Objective 4: Financial Power

- Attracting internal investment – working with potential inward investors to maximise the benefits to local supply chains
- Community benefit from renewables – working with the renewables industry, public sector agencies and communities to realise significant and long lasting social and economic benefits for local communities.

### Objective 5: Inclusive Ownership

- Development of sustainable bus transport model to mitigate against the financial pressures and enable service delivery.
- Developing a place based approach and delivery of area place plans that create a shared understanding and agreement of local priorities and actions that enabling targeting of resources, investment and action to deliver these.

## 6. Next Steps

- 6.1 Following consideration of the draft strategy, a twelve week period of public consultation will commence and run from April until June 2024. The consultation will seek views on the draft strategy, including proposed vision and areas for development.
- 6.2 During this period, work will include direct engagement with:
- Partner organisations, exploring the opportunities to align shared work on community wealth building. Community Wealth Building has been agreed as a key outcome for the revised Highland Outcome Improvement Plan.
  - Third sector and community partners, through the range of third sector fora.
  - Business partners through the Regional Economic Partnership and Highland Employability Partnership; and
  - Members, through an initial workshop in March 2024 and in August following conclusion of the public consultation period.
- 6.3 It is proposed that following the public consultation, an updated strategy will be presented to the September meeting of the Council, along with a draft action plan.

Designation: Executive Chief Officer, Infrastructure, Environment and Economy

Date: 28 February 2024

Author: Malcolm MacLeod, ECO Infrastructure, Environment and Economy  
Alison Clark, Head of Community Support, Contact and Engagement

Background Papers: [Developing a Community Wealth Building Strategy – June 2024](#)

# Community Wealth Building Strategy 2024-2027

Draft for Consultation

# Introduction

Communities across the Highlands face a range of social, economic and environmental challenges. These will not be solved by traditional approaches to economic development which are based on the presumption that as the economy grows, wealth is generated for all.

Community Wealth Building provides an alternative approach and a practical response that aims to keep wealth within a local area. It is often described as a people centred approach to economic development and aims to ensure every area and community can participate in, and benefit from, economic activity.



There are 5 pillars of Community Wealth Building.

By delivering against these pillars, the aim is to increase the flow and retention of wealth within a local area.



Organisations like the Council - as employers, purchasers of goods and services and owners of land and property - have a central role to play in ensuring that wealth generated through local economic activity is retained within the local area and benefits the majority and not a minority.

The purpose of our Community Wealth Building Strategy is to provide a framework that sets out how we will utilise our different activity to maximise the impact of investment in local areas and support more local ownership of assets and wealth.



Seeing what we do through a Community Wealth Building lens is critical to retaining greater wealth and maximising spending to benefit Highland communities.



# A Vision for Community Wealth Building in Highland

This strategy sets out a 3 year vision for taking forward and embedding our approach to Community Wealth Building in what we do.

Our vision is that we will:

**Retain greater wealth and maximise spending within and for the communities of the Highlands.**

We will deliver this through the following objectives that align with the 5 pillars of community wealth building:

- £ Objective 1: Spending
- £ Objective 2: Fair Employment
- £ Objective 3: Land and Property
- £ Objective 4: Financial Power
- £ Objective 5: Inclusive Ownership

For each objective, the following outlines what we are already doing to deliver community wealth building and potential areas for development.

## Objective 1: Spending

This objective aims to maximise economic, social and environmental benefit for the community through development of local supply chains comprising local SMEs, employee-owned businesses, social enterprises, cooperatives and other community owned enterprises. We commit to using our spend to support a diverse local business base.

As an organisation we are already undertaking work that will contribute to delivery community wealth building. This includes:

### **Local spending**

The Council continues to engage with local and wider business communities on our procurement activity and aims to increase capacity and capability in local businesses of all sizes and across all business sectors (including third sector) to bid successfully for public contracts by way of providing or providing access to:

- training events (including signposting to Supplier Development Programme and the Scottish Government Supplier Journey)
- tender specific market engagement events
- supplier bulletins
- raise awareness of opportunities by publication of forward procurement plan within the annual procurement report

Supplier development activity is reported on annually in the Annual Procurement Report for the Council as is the figure for % local spend.

The Council's spend with local suppliers for financial year 2022/23 was £216,684,870 representing 48% of total spend, the Scottish average\* was 29.6% local spend.

### **Fair Work and Community Benefits**

The approach to community benefits and fair work within procurement activity has been guided by the commitments expressed in the Joint Procurement Strategy which are centred around delivery of "ethical and sustainable value for money solutions that support the operational needs and wider strategic aims of the councils and the communities they serve."

The Council routinely seeks opportunities beyond mandatory thresholds for inclusion of Community Benefits (£4M) to leverage opportunities (including social, economic and environmental value) aligned to the needs and priorities of communities. The themed approach to community benefits is aligned with local and national priorities, and the Scottish Model of Procurement.

In the last reporting period (2022-23) 439 community benefit outcomes were included, are in process or were delivered.

## What we will do:

Objective	Area for Development
<p>Maximise economic, social and environmental benefit for the community through development of local supply chains comprising local SMEs, employee-owned businesses, social enterprises, cooperatives and other community owned enterprises.</p>	<p><b>Community benefit from procurement:</b> Enhancing community benefit outcomes is a key area of development. The Council is currently in the process of developing a Highland specific Community Benefit Policy which will set out the overall approach and aspirations relating to community benefits and social value. It will provide a consistent approach to delivery across all council services and stakeholders.</p> <p>Working in parallel with procurement, we aim to maximise community benefit opportunities by going beyond our legislative duty relating to sustainable procurement and seek benefits from all our procurement activity. This will include enabling communities the opportunity to voice their requirements and the ability to match these to Community Benefit opportunities.</p>
	<p><b>Maximising local spend through procurement practices:</b> Analysis across the Council's spend will identify opportunities to employ a progressive procurement approach to build supply chains and the opportunity to maximise local spend through procurement. This will include information being provided to delegated procurers on methods to engage with suppliers before going out to tender, lotting of contracts and how to build in sub-contracting opportunities to maximise local spend.</p> <p>We will develop a targeted Supplier Development Plan which will support local small to medium enterprises (SMEs), social enterprises, co-operatives and community owned enterprises to bid for opportunities. The plan will include a programme of supplier events to provide information for both local businesses and the third sector on how to do business with the Council.</p>
	<p><b>Service Delivery Models</b> - the Council, along with its partners, is committed to reviewing who is best placed to deliver services across communities. It is important to reduce duplication and to focus on how outcomes will best be provided and who is best to provide them. Areas of work already identified include employability and early years and childcare, creating local models of service delivery.</p>



## Objective 2: Fair Employment

This objective aims to create fair and meaningful employment opportunities by recruiting from priority groups, paying the living wage and building progression routes for workers. We commit to being a fair employer.

As an organisation we are already undertaking work that will contribute to delivery community wealth building. This includes:

### **Living Wage**

In December 2019, the Highland Council achieved Living Wage accreditation. The Council employs just over 10,270 staff across the Highland area and also applies the living wage rate to apprentices. The accreditation includes an ongoing commitment to encourage contractors to also pay their workers the real Living Wage rate through our procurement processes.

The accreditation provides social and economic benefits to workers in the Highlands where wages in remote and rural areas in particular are below the national average.

### **Highland Employability Partnership**

The Highland Employability Partnership (HEP) is a Council led multi-agency approach to ensure that partners work collaboratively to deliver employability services across the area served by Highland Council. Representatives on the partnership are from both local and national public sector organisations, business representatives and third sector representatives.

The aim of the HEP is to work with individuals and employers to raise as many Highland residents as possible out of poverty through sustainable and fair work; supporting those who face multiple barriers into employment and enabling progression out of poverty for those who are already in work. Whilst the HEP provides strategic Highland-wide direction, 3 Local Employability Partnerships (LEPs) drive operational delivery in the North Highland, Inner Moray Firth and West Highland areas.

### **My Future My Success (MFMS)**

MFMS is a bespoke Highland initiative supporting and developing some of our most vulnerable learners who have barriers to attending, engaging, and achieving positive destinations post school. Through collaborative approaches MFMS empowers young people taking person-centred approaches to their future careers and aspirations, connecting them with a network of genuine support, employability, and enterprise learning, mentoring and personal skills development ensuring their future is determined by potential not by background or postcode.

### **Modern Apprenticeship Programme / Graduate Apprenticeship Programme**

The Council has a strong and developed Modern and Graduate Apprenticeship Programme. 89 employees are currently undertaking MA/GA Apprenticeship qualifications across 13 MA/GA frameworks and are attending training both local and national. Through the Skills Development Scotland Training Contract, 107 employees from the Council and external partners are undertaking qualifications across 7 MA frameworks. Work is ongoing to support services to consider MA/ GA frameworks as part in their workforce planning strategies and exploring inhouse training/ SVQ assessment options for services (e.g. Roads) if training provision is hard/costly to procure.

## What we will do:

Objective	Area for Development
<p>Create fair and meaningful employment opportunities by recruiting from priority groups, paying the living wage and building progression routes for workers.</p>	<p><b>Developing a Strategy to Enable a Future Workforce</b> - The Highland Council Programme commits to 'working together to improve quality of life and opportunities for Highland people.' We also commit to working with public and private sector partners to coordinate employment opportunities. These require plans to deliver a more diverse economy to the people and places of the Highlands. In doing so, we can sustain communities, develop growth in key clusters, sectors and geographical areas to grow and retain talent.</p> <p>Highland Council and our partners face significant challenges in meeting the employer demands for future workforce in a number of key sectors. This work relates to parallel reports by agencies such as Highlands and Islands Enterprise and Skills Development Scotland through the Regional Skills Assessment, as well as recognising the documented workforce pressures facing NHS Highland and Highland Council itself. For these reasons, the Future Workforce Programme for the Highland area is a key strand of activity in the revised Highland Outcome Improvement Plan. It is also intended to be outward facing, ensuring that pathways are created to support initiatives such as the Inverness and Cromarty Firth Green Freeport.</p> <p>We will deliver a more co-ordinated approach to skills and training, working across the public, private and third sectors to ensure that greater numbers of our young people remain in, and return to the area for employment, and that Highland increases the number of people coming to work here.</p>



**Green Freeport – skills and innovation** – Highland’s significant contribution to renewables and decarbonisation at the national and local level is growing and evolving with the identification of the Inverness & Cromarty Firth Green Freeport. Fair Work and Net Zero form central pillars of the benefits that the project aims to deliver for Highland communities. With around 10,000 new jobs being brought to the area a 10 point skills plan aims to directly address unique issues related to ageing population, skills and workforce. It is hoped that the project can bring forward regeneration and housing development opportunities to communities across the Inner Moray Firth area and expedite their transition to net zero. To this end, the key partners are keen to identify and exploit opportunities for community wealth building and maximise the impact at the local and national level.

**Childcare Solutions** - there are a range of challenges preventing the development of childcare solutions including training, recruitment, regulation and business viability. A Single Care Model for adult and childcare in rural and remote communities is being developed in partnership with the Care and Learning Alliance (CALA) with the aim of developing provision across the age range in rural communities where there are recruitment and retention challenges in both adult care and childcare. It would offer opportunities for full time employment for staff, who could provide care to different groups throughout their working day.

Suitable, affordable childcare is essential to enable families to maximise incomes and enabling more women to enter the workforce. A range of proposals will be explored to increase childcare solutions including salaried childminders and block grants to support financial sustainability; payment for childminders to care for their own children; support with business set up costs and ongoing support to maintain and grow the business/service.

**Transport Local Solutions** - There is an opportunity to address transport and accessibility issues for communities across Highland and in line with the Council's planning and transport strategies, and the wider Regional Transport Strategy being prepared by Hitrans. The Council is looking to maximise the role of sustainable transport in connecting communities to the services, employment areas and education recognising the challenges and opportunities facing our rural and urban communities.

The Council supports Local Transport solutions through the award of Community Transport Grants to local communities, and currently provides grants to 30 Community transport groups. The Council recognises that Grant funding and other support for Community transport organisations enables and facilitates the provision of projects that address the essential transport needs of people with limited mobility arising from isolation, disability, poverty or unavailability of other forms of transport. This in turn enables improved access to employment and other opportunities which contributes to sustaining local communities. The council is committed to working with more communities to develop more Community transport projects.

**Employment Development Review** - An independent review of employability services delivered internally by the Council, as well as by NHS Highland and High Life Highland, has just been completed. Complementing the external work being carried out by the Highland Employability Partnership, the report usefully identifies the dedicated and supportive employability services delivered by Council/NHS and HLH and sets out a number of improvement actions which will contribute towards improved work outcomes for priority groups and those living in particular disadvantaged communities.

In line with the strategy for **Developing a Strategy to Enable a Future Workforce** above, we will deliver a more co-ordinated approach towards those furthest from employment by implementing a restructuring of employability services in the widest sense – ensuring a pathway between education and the workplace.

## Objective 3: Land and Property

The aim of this objective is that we will commit to the productive use of our land and assets to support communities and enterprises. As a major land holders we will seek to support equitable land development and ownership models, including the imaginative use of assets for community and wider social and economic use.

As an organisation we are already undertaking work that will contribute to delivery community wealth building. This includes:

### **Housing strategy and building**

The Council has agreed both a Local Housing Strategy and a Strategic Housing Investment Plan for 2023-2028. This sets out the Council's commitment and approach to developing affordable housing for communities across the Highland area and will assist in delivering the Scottish Government's Affordable Housing Investment Programme. The Council is committed to delivering an average of 660 new affordable homes per annum of which approximately 70% will be for affordable rent and 30% for intermediate affordable housing (e.g., low-cost home ownership or mid-market rent). The number of units receiving tender approval during 2022/23 was 520 and the number of completions 525. There were 404 site starts by the end of March 2023.

### **Community asset transfer**

The Council has a well-developed Community Asset Transfer (CAT) process to support communities to lease or take ownership of Council owned land or buildings. Since the introduction of the Community Empowerment Act in 2017, the Council has agreed to 48 transfers across Highland. The approach has been reviewed twice since its introduction in order to improve the experience and process for communities and encourage greater community ownership. The introduction of a community loans fund supports the CAT approach.

### **Community loan fund**

The Community Loan Fund, managed by the Council's loan company - Highland Opportunity (Investment) Limited, offers competitive loan support for community companies, enterprises and community bodies within the Highland Council who require investment in their business linked to transferred assets.

## What we will do:

Objective	Area for Development
<p>As a major land holder, we can support equitable land development and ownership models, including the imaginative use of assets for community and wider social and economic use.</p>	<p><b>Scottish Government’s National Planning Framework 4</b> – adopted in early 2023 – encourages a more coordinated approach to community wealth building and for economic development to be better understood in terms of its community and place benefits.</p> <p>The Council’s new Local Development Plan, prepared in line with NPF4, is expected to align with the community wealth strategy, and build upon the priorities, community assets and opportunities for addressing inequalities and provide benefits to communities. The new LDP will also work in tandem with the HOIP and Area Place Plans which represent local expressions of community priorities, outcomes and actions across partners.</p> <p>The national policy combined with the new LDP will therefore equip partners with tools to better ensure that future development and investment makes a demonstrable and tangible commitment to community wealth building.</p>
	<p><b>Asset Rationalisation</b> - the Council has agreed a process for reviewing its assets that focuses on key criteria and strategically identifying priorities for capital spend. A reduction in the Council’s asset base may impact on the number of assets available for community use. However, a more appropriately balanced approach to capital will also enable the Council to invest in its core strategic principles such as addressing inequalities, poverty, and the particular challenges of our rural and island communities.</p>
	<p><b>Co-location public and third sector partners</b> - as part of the proposed approach set out above, the Council will seek to maximise opportunities for colocation with public sector organisations and other agencies. This would help bring local public services into single hub buildings and potentially also accommodate community services in some locations.</p>

<p>As a major land holder, we can support equitable land development and ownership models, including the imaginative use of assets for community and wider social and economic use.</p>	<p><b>Repurposing assets for housing</b> – the Council has successfully converted offices to housing, directly for council and in an enabling role for delivery of key worker accommodation , both mid market rent and low cost home ownership eg. Tweedale House, Lochaber house – Fort William. We will continue to explore other opportunities</p>
	<p><b>Promote community and local ownership</b> – the Council is keen to support and enable wider community and local ownership of assets to enable and support communities to deliver their aspirations for their local communities. This includes considering different models of ownership, including social enterprises, co-operatives and community owned enterprises. One route is through Community Asset Transfer, providing an opportunity for local groups to take on underused or surplus assets to enable achievement of local priorities, another is through maximising and targeting local funds, such as Community Regeneration Funds, towards groups wishing to develop and own local assets. There is close alignment to place planning and supporting delivery of local outcomes. Work will focus on aligning asset rationalisation processes with community aspirations and delivery of local priorities.</p>
	<p><b>Ensure commercial portfolio supplies business growth</b> - the Council will continue to seek to increase its commercial portfolio targeting starter businesses wherever financially viable, however new starter units require subsidy to fund construction costs.</p>
	<p><b>Land and Environment</b> - we will support partners, communities and developers to protect, manage and restore our world-class habitats and species through the development and implementation of appropriate policy, guidance and projects; by protecting biodiversity and delivering positive effects from development the Council can ensure the benefits derived from our natural heritage are shared equitably across our communities.</p> <p>The Highland Council is committed to the principles of a Just Transition to a greener future where climate change and biodiversity loss have been reversed. A Just Transition ensures that everyone's needs are considered when making changes. This means that as we pursue the goals of this Strategy, we can make the region fairer while helping to address the climate and ecological emergency.</p>

<p>As a major land holder, we can support equitable land development and ownership models, including the imaginative use of assets for community and wider social and economic use.</p>	<p><b>Renewable Energy</b> – We will develop renewable energy projects, with community wealth building at the heart, but focusing on schemes that deliver direct benefits to residents, for example through District Heat Networks. We will also establish a model for regional shareholding in both new &amp; existing commercial windfarms by carrying out strategic planning, increased community engagement and financial structuring that benefits all. By collaborating with developers, businesses and communities we will create and cultivate a true sense of ownership.</p> <p><b>Sustainable House Building in Highland</b> - The Council working with HIE and the private sector will explore the potential of developing factory produced close panel housing construction in the Highlands, which would provide not only employment opportunities but a sustainable economic solution to the delivery of new housing.</p>

## Objective 4: Financial Power

The aim of this objective is to commit to harnessing and growing local wealth. By increasing flows of investment within local economies we will harness the wealth that exists locally.

As an organisation we are already undertaking work that will contribute to delivery community wealth building. This includes:

### **Highland Opportunity**

Highland Opportunity (Investments) Limited (HOIL) is a provider of business loan finance and is part of the Highland Council's business development service. HOIL Loan Fund is self-financing, thereby investing in Highland businesses in perpetuity.

The overarching purpose of HOIL is to provide accessible business finance and advice to small and medium sized enterprises (SMEs) that are based in the Highlands. The aim is to support Highland based businesses to start up and grow and contribute to a thriving and sustainable Highland and Scottish economy.

### **Inverness & Highland City Region Deal**

We are now into year seven of the ten-year Inverness and Highlands City-Region Deal, and including the Scottish and UK Government investments, the value of the Deal is now over £336.9m. The Deal aims to deliver sustainable and inclusive economic growth by:

- creating new well-paid jobs in the private sector;
- encouraging young people to remain within the region and attract young people to move to the region;
- boosting the region's growing sectors such as tourism and life sciences;
- building affordable homes;
- promoting innovation, internationalisation and new partnerships between the Region's many small businesses; and
- improving connectivity through investments in transport.

### **Shared Prosperity Fund**

The UK Shared Prosperity Fund is a three year £2.6 billion UK-wide fund launched in April 2022. The Highland Council has been allocated £9.44m to invest in local projects until March 2025, supporting communities, businesses, employment and tourism, with the overarching objective of the UKSPF being to build pride in place and to increase life chances. The UKSPF Delivery Plan targets the investment to deliver positive outcomes and impacts across the region in line with the following priorities:

- Community and Places;
- Supporting Local Businesses;
- People and Skills; and
- Multiply (Numeracy Skills)

### **Community Regeneration Fund**

The Highland Council has the responsibility of delivering various external funding programmes to enable community-led local action. This allows community groups and organisations to apply for funding to deliver projects that respond to the needs of their local area and support positive change.

Community Regeneration Funding is an umbrella term being used to cover multiple community-led external funding programmes, administered by the Highland Council. We understand that applying to multiple funding programmes can be time consuming, and often confusing, with each fund having a separate application process and deadlines. We have therefore, developed a streamlined process where applicants can apply under a single call for expressions of interest to distribute several funds.

Community Regeneration Funding is currently made up of:

- Highland Coastal Communities Fund
- Place-Based Investment Programme
- Community-Led Local Development Fund

UK Shared Prosperity Fund



## What we will do:

Objective	Area for Development
<p>Increase flows of investment within local economies by harnessing wealth that exists locally.</p>	<p><b>Green Freeport – Non-Domestic Rates</b> - the final business case for the Green Free Port is currently being prepared. The overall retained amount of NDR is currently being estimated and potential uses which are subject to negotiations with the green freeport company and Scottish and UK governments.</p>
	<p><b>Community benefit from renewables</b> - the Council is working with the Highlands and Islands Regional Economic Partnership (REP) members to develop a new collaborative approach built around the pillars of Community Wealth Building to maximise community benefits derived from renewable energy developments for the north of Scotland. By working together, the renewables industry, public sector agencies and communities, have the potential to realise significant and long lasting, social and economic benefits for Highland communities.</p>
	<p><b>Attracting internal investment - targeting local supply chains</b> - The council is working with potential inward investors, landowners, ports and developers, both in its role as a member of the green freeport consortium and in its role as the local authority, to identify ways in which the forecasted economic benefits are fully embedded within the local communities To maximise the benefits of inward investment to the local supply chain engagement work is underway and being planned including specific events to market opportunities. SSEN contractors are also carrying out local negotiations with key supply chains.</p>
	<p><b>Maximising Opportunities of Community Regeneration Funds</b> - It is anticipated that as Area Place Plans become established and projects prioritised and costed, funding can be targeted in a strategic fashion. As opposed to the current challenge fund environment. This will ensure that limited resources are invested to deliver maximum impact and support CWB objectives.</p>
	<p><b>Support to business</b> - Continued efforts to identify and secure funding which enable the Council to encourage and support Highland based businesses to start-up and grow. Opportunities exist to focus on and align advisory, loan and grant support at certain business types or sectors, for example, community or employee owned businesses.</p>

## Objective 5: Inclusive Ownership

This objective aims to advance inclusive economic ownership models such as local SMEs, employee-owned businesses, social enterprises and mutually owned companies and thus enable more wealth generated locally to stay within the community. We commit to supporting inclusive ownership of the local economy.

As an organisation we are already undertaking work that will contribute to delivery community wealth building. This includes:

**Community Transport** - From 1 April we will support 28 voluntary sector Community Transport organisations through grants and operational advice. These provide invaluable local transport in their areas, largely where conventional bus services would not be practicable, or to cater for people with mobility difficulties which make it hard for them to use bus services. Although some employ staff, these projects all depend on the interests and willingness of volunteers and are designed to meet the perceived needs and priorities in each area. Thus, there is a high level of community "ownership". In return for a modest cost, there is a very high level of social benefit.

**In-house bus service** - In 2023, its first year of operations, the in-house bus operations pilot has successfully delivered the initial group of services at a significantly lower cost than the best tendered prices received from commercial operators. We continually monitor our services to ensure reliability, making minor timing and route changes to various timetables accordingly. Fare revenue income has exceeded initial expectations for the first 12 months of operations and figures show an average increase of 40% compared to the same period in 2022, when the same services were delivered by a commercial operator. Since August 2023 the service has operated internal private hires for schools and other users, it is intended to continue to build on these hires during 2024.

**Business support in the Highlands** - Business Gateway is a business support service delivered by the Council. All local start-up business and growth SMEs, including third sector, can access the Local Authority's business support services to help provide local economic growth. This includes support to community and third sector businesses and social enterprises. Businesses are supported through: One-to-one local business adviser support; Business skills workshops; Business & financial planning, digital & social media training; Specialist adviser support: Procurement, HR, supply chain logistics, efficiency & quality management; Start-up and early-stage start-up growth grants.

## What we will do:

Objective	Area for Development
<p>Advance inclusive economic ownership models such as local SMEs, employee-owned businesses, social enterprises and mutually owned companies and thus enable more wealth generated locally to stay within the community.</p>	<p><b>Sustainable Bus Transport Model</b> – The Council has demonstrated the value in bringing school and public bus services in-house, to mitigate against the financial pressures of external contract costs. Following a year in operation, we intend to grow this service, with a focus on reducing the financial pressure on the Council, whilst opening up opportunities to develop new routes and deliver additional services (for example related to Demand Responsive Services or Park and Ride). This approach will allow a public sector service, closely tied into community aspirations. The powers the Council now has will allow this approach to be expedited and the plan is to significantly increase services over the lifetime of this strategy.</p> <p><b>Place Planning</b> - The place-based approach is about understanding the issues, interconnections and relationships in a place and coordinating action and investment to improve the quality of life for that community. Place underpins, and is the lens through which, how services are delivered and organisations and communities partners work together.</p> <p>The benefits of Area Place Planning for communities and partners are:</p> <p>Simplifying how we operate by:</p> <ul style="list-style-type: none"> <li>● Consolidating local priorities across a variety of plans – national, regional and local.</li> <li>● Developing a shared understanding of our communities, local priorities and opportunities</li> </ul> <p>Agreeing a way forward:</p> <ul style="list-style-type: none"> <li>● Strengthening collaborative working and trust between communities, public and third sectors.</li> <li>● By developing a framework for delivering a shared vision, priority outcomes and actions.</li> </ul> <p>Demonstrating impact by:</p> <ul style="list-style-type: none"> <li>● Targeting resources, investment and action in line with local priorities.</li> <li>● Improving communication and provides greater certainty to communities on how partners will support changes in a particular area.</li> </ul>

