

Agenda Item	7.
Report No	SCC/14/17

HIGHLAND COUNCIL

Committee: Sutherland County Committee

Date: 13 September 2017

Report Title: Inverness City and Highland Region Deal

Report By: Director of Development and Infrastructure

1. Purpose/Executive Summary

- 1.1 The purpose of this report is to provide Sutherland members with an update on the City-Region Deal.

2. Recommendations

- 2.1 Members are asked to note the report.

3. Introduction

- 3.1 On 30 January 2017, agreement on the City-Region Deal was reached with the Deal document being signed by Lord Dunlop Parliamentary Under Secretary of State for Scotland, UK Government; Keith Brown MSP, Cabinet Secretary for Economy, Jobs and Fair Work Scottish Government; and Cllr Margaret Davidson, Leader of The Highland Council. The Deal is a clear demonstration of the Highland Council's ambition to ensure that the City and the wider Highland region have a successful economic future.

4. Benefits of the City Region Deal

- 4.1 The City-Region Deal is transformative and will position the area as a region of opportunity. It focuses on the attraction and retention of young people so that they can contribute to and benefit from a growing and increasingly skilled economy. It will make a step change contribution to the long term productivity and economic growth of the region by investing in vital infrastructure, fostering innovation, supporting regional skills development and promoting tourism.
- 4.2 The City-Region Deal provides a significant funding package which invests up to £315m into the regional economy. As part of this funding package, the Scottish Government will commit up to £135m and the United Kingdom Government will commit up to £53m; this includes £3m advance funding for City Wi-Fi and environmental improvements around Inverness Castle. The Highland Council along with regional partners will commit up to £127m.
- 4.3 Led by The Highland Council, which is responsible for both the City of Inverness and the wider Highland Region, the Inverness and Highland City-Region Deal is being implemented by a partnership between the Council, Highlands and Islands Enterprise, The University of the Highlands & Islands (UHI), and Albyn Housing
- 4.4 Collectively, this funding package will be provided over a 10 year period subject to detailed business cases, statutory processes and implementation plans.

5. Governance

- 5.1 A programme board exists, chaired by the Director of Director of Development and Infrastructure, which comprises the lead officers for each project, a representative from the Finance Service, and representatives from the business community. Colleagues from The Scottish Government and UK Government are also represented on the board.
- 5.2 The programme board reports to the Places Committee; and undertakes the following roles:
- ensures delivery of business cases and the implementation plan;
 - ensures effective co-ordination between partners;
 - ensures the ongoing overall alignment of the individual projects within the programme;
 - resolves strategic and operational issues between projects;
 - sets gateway decision points for each individual project;
 - monitors project status and ensure project delivery; and
 - manages risks and financial commitments.

- 5.3 A City-Region Deal Scrutiny Board has been established comprising the Group Leaders, which reviews and monitors the progress of projects. Meetings are held quarterly.
- 5.4 The post of Programme Manager was created, initially for a two year period, reporting to the Director of Development and Infrastructure. This post is funded from within the Development and Infrastructure Service's existing resources.

6. The City-Region Deal

- 6.1 The projects within the City-Region Deal are shown in **Appendix 1**. This describes the projects and gives an update on the current status of each project. Whilst individually the projects will deliver benefits they are also part of a programme that will deliver benefits to the City and Region greater than the sum of its parts.

7. Implications

- 7.1 Resource, Legal, Community, Climate Change/Carbon Clever, Risk and Gaelic

There are no implications as a consequence of this report

Designation: Director of Development and Infrastructure

Date: 30 August 2017

Author: John Robertson, City Region Deal Programme Manager

Appendix 1 – City-Region Deal Projects

Project	Description	Where	Funding	Status	Lead
Digital	Identify and explore ways to extend digital coverage, including Superfast Broadband	Pan Highland	£20m UK Gov	Discussions are taking place aligning this project with the R100 initiative and developing a Digital Action Plan. The need to align with R100 means the project is behind initial schedule.	HIE
Science Skills Academy	Develop a network of STEM learning centres (Newton Rooms)	Pan Highland	£3m Scot Gov	The Full business case has been approved and a project manager has been appointed. The first two Newton rooms will be in Caithness and Lochaber.	HIE
Northern Innovation Hub	The creation of a Northern Innovation Hub to provide tailored support for high growth small and medium sized businesses in The Highland Council Area.	Pan Highland	£11 m UK Gov.	Full approval of business case expected shortly. Procurement can then commence	HIE
FIT House	Innovative assisted living schemes using the latest IT Healthcare to enable elderly people to live in their communities.	Pan Highland	£3m Scot Gov.	Full business case approval expected this month.	Albyn Housing Association
School of Healthcare and Life Sciences)	The provision of additional funding for the commercialisation of life sciences at the new multi-disciplinary centre at the University of the Highlands and Islands School of Health.	Pan Highland	£9m UK Gov	Full Business case Approved and Money started to flow– recruitment started and procurement of specialist advice underway.	UHI
Kessock Bridge Fly Over and East Link	Commitment to delivering the strategic A9/A96 Link Road (Eastlink – opens up land for housing development) and a commitment to the Longman Interchange,	approved and test drilling underway	£109m Scot Gov	Work on identifying the corridor option for the East Link continues and the option for Longman interchange has been agreed in principle.	Transport Scotland
Longman Land Remediation	Land remediation at Longman to support commercial development	Inverness	£10 m UK Gov	Part business case approved for investigation works. Test drilling is ongoing and on	THC

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Project	Description	Where	Funding	Status	Lead
				schedule.	
Affordable Housing	Development of a package of support to increase the availability of affordable housing for young people.	Pan Highland	£5m Scot Gov	Full Business case Approved and Money started to flow– First Affordable houses to be built on the Raining’s Stairs, Inverness development. Further sites to be acquired	THC
Air Access	To work towards governments continuing to recognise the importance of effective regional air access working to consider mechanisms for promoting improved regional access.	N/A	N/A	Predominantly Watching brief	HITRANS
Skills and Employability	Develop innovative approaches to delivering employability programmes across the Highlands.	Pan Highland	N/A	A meeting is being set up top discuss an approach with Scottish Government.	THC
Inverness Castle	World Class visitor attraction for Inverness and Highlands Signposting visitors to the many	Inverness / Pan Highland	£15m Scot Gov	Part Business Case is with Scottish Government for Decision. A funding bid will be made to the Heritage Lottery Fund	THC