

Agenda Item	6
Report No	RB/04/21

HIGHLAND COUNCIL

Committee: Recovery, Improvement & Transformation Board

Date: 29 March 2021

Report Title: Economic Recovery Strategy Update

Report By: Executive Chief Officer Infrastructure and Environment

1. Purpose/Executive Summary

- 1.1 The purpose of this report is to update the Board on the activity that has been carried out against the Economic Recovery Workstream since the last formal report to the Board.

2. Recommendations

- 2.1 Members are asked to contribute to the ongoing work to prepare the Economic Recovery Strategy.

3. Implications

- 3.1 Resource: There will be resource implications to the delivery of economic recovery, but these will be regularly reported to the Council, strategic committees and the Recovery Board. Coordination and prioritisation of resources with partners is likely to put us in stronger position to lobby for national funds.
- 3.2 Legal: none
- 3.3 Community (Equality, Poverty and Rural): All work streams associated with the economic recovery task should have positive outcomes.
- 3.4 Climate Change / Carbon Clever: The Scottish Government has committed to ending Scotland's contribution to climate change by 2045 at the latest, and the public sector is legally required to support this ambition. To support this aim, the Scottish Government has established a Just Transition commission to advise Scottish Ministers on how to apply the Just Transition principles to Scotland. Whilst this work was commissioned and much of it undertaken prior to the outbreak of COVID-19, the principles could directly support economic recovery post-COVID-19, and ensure that Highland takes a lead in moving towards a net zero economic model.

- 3.5 Risk: All risk elements will be managed within each workstream.
- 3.6 Gaelic: This will be an important part of the culture/tourism element.

4. Recent Activity

- 4.1 The team have continued to be fully occupied with the administration of the business grants funding applications. As the prospect of an opening up of the economy approaches, the pressure on the team will be lifted, allowing a greater focus on the initiatives set out in this report.
- 4.2 Weekly meetings continue to be held with business groups to share information on impacts and to work together on initiatives to support recovery. The Economic Prosperity Fund agreed by Council on 4th March 2021 will be a significant tool to support recovery and work is underway to ensure that the £6m funding available is put to work to support Council and partner activity. A cross-service workshop is being held on 24th March 2021, and a verbal update will be given to this meeting.
- 4.3 Discussions have been held with HIE and the business sector on the restart of the Highland Economic Recovery Partnership, driven by the needs of the private sector. The next Partnership meeting will be held as soon as possible.
- 4.4 Members will also be aware of the reports being presented to the March 25th Council meeting related to the development of the hydrogen economy and the STEP reactor opportunity. Work is also underway with local and national partners in respect of the development of the Wick Airport Public Service Obligation.
- 4.5 In terms of continuing to ensure that investment is being directed towards projects that will drive economic recovery, the team has also been fully occupied with distributing the Crown Estates Revenue funding, through the Area Committees. These investments will have significant local impact.
- 4.6 The Council was also successful in bidding for recovery project funding from Scottish Government. An update will be given to the Board on how this project funding (which had to be committed by March 31st) is being distributed.

5. Economic Recovery Strategy

- 5.1 As members will be aware, there is a significant amount of work underway in supporting businesses and in ensuring funding is made available as quickly as possible for eligible projects. The longer term economic recovery for the Highlands is just as important, and a draft Economic Recovery Strategy is being prepared for the May 2021 E&I Committee which seeks to identify the key programmes of work that will be brought forward to ensure that the Highland economy is strengthened and supported over the coming months and years.
- 5.2 The key element of this strategy are still being worked up, building on engagement with Members, businesses and communities. Key themes are set out below, and Members are asked for feedback on the general direction being taken.

1. A Strong Highland contributing to Scotland's Economic Recovery

- Setting out the Highland priorities for inclusion within the National Planning Framework 4 and associated Regional Spatial Strategy – much work has already been undertaken on this, with member input.
- Setting out transport priorities for inclusion within the National Transport Strategy and Strategic Priority Projects Review.
- Ensuring that Highland priorities are set out within the UK Government's proposals for the Shared Prosperity Fund/Levelling Up Fund
- Ensuring that the Highland City Region Deal continues to deliver outcomes that benefit the whole region, with a close focus on future Growth Deal opportunities.

2. A Prosperous Highland

- Implementation of the Economic Prosperity Fund to ensure a focus on employment and business growth
- Developing a strategy for Community Wealth Building, building on the strong community and third sector activity in Highland, and delivering a set of actions that ensures greater local benefits arising from capital spend and procurement activities.
- Aligning Council Capital Strategy to Economic Recovery

3. A Low/Zero Carbon Highland

- Actions arising from the Programme Alignment work undertaken for the Council – ensuring that priorities related to the hydrogen economy and capturing benefits from the continued increase in renewable energy lead to sustained economic development within the Council area.
- Ensuring that Council led projects around renewable energy as well as opportunities such as Opportunity Cromarty Firth and the STEP reactor projects are fully set out and a programme of work identified to support these.
- Ensuring that the pilot Land Use Partnership that the Council has been selected as a pilot for, takes forward the key actions required to ensure that rural land uses contribute to wider efforts to build Highland's place in Scotland and the UK as a major contributor to wider climate change targets.

4. A Healthy Active Highland

- Setting out the key priorities for the development of the active travel networks across Highland.
- Setting out opportunities for the development of additional sports facilities, working in close partnership with SportScotland and High Life Highland
- Delivering a future strategy for Long Distance Routes across the region, building on the economic development benefits of existing routes.

5. A Connected Highland

- Delivering key capital infrastructure projects including Council schemes, whilst ensuring the delivery of Scottish Government schemes through the City Region Deal and the Infrastructure Investment Plan
- Delivering new models for public transport, building on opportunities arising from national funding schemes such as the Bus Strategic Investment Fund
- Bringing forward schemes to support the delivery of key links such as the continued operation of the Corran Ferry and the Wick Airport Public Service Obligation.

5.3 The Economic Recovery Strategy will also detail ongoing and proposed place planning activity across the Council area, which will involve strong community input and engagement, with the focus on the identification of projects that will help shape funding bids. The programmes of work being undertaken in Lochaber, Skye and Raasay, Inverness, Caithness and Badenoch and Strathspey form the first tranche, with further area projects to follow over the period of the strategy.

5.4 As reported previously to Recovery Board, there needs to be focus on key sectors, and detailed action plans will be set out against the following areas:

- Third Sector and Community Led Economic Development
- Construction and Infrastructure Delivery (with a focus on supporting construction activity, digital infrastructure, transport and active travel and housing delivery)
- Retail, Town and City Centres
- Tourism and Culture
- Energy and Renewables
- The Rural Economy
- Technology and Innovation

Work on all of these sectoral themes is underway, and separate actions will be set out within the strategy to support individual sectors.

6. Next Steps

6.1 A draft Economic Recovery Strategy will be considered by the E&I Committee in May 2021, with full consultation undertaken to ensure partnership and community support for the actions contained within it. Any comments from Recovery Board Members will be useful to inform the May report

Designation: Executive Chief Officer – Infrastructure and Environment

Date: 21st March 2021

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Background Papers: