

Agenda Item	6.
Report No	BSAC/13/21

THE HIGHLAND COUNCIL

Committee: **Badenoch & Strathspey Area Committee**

Date: **9 August 2021**

Report Title: **Badenoch & Strathspey Ward Place Based Funds – Proposed Funding Allocations**

Report By: **Executive Chief Officer, Communities and Place**

1. **Purpose/Executive Summary**

- 1.1 Following on from the budget agreed by Highland Council in March 2021, a £100,000 Place Based Investment Fund was allocated to each ward for the 2021/22 financial year. This fund is intended to enable a flexible local response to address the 4 harms of Covid which are identified as direct health harms; health impacts not directly related to Covid; societal impacts and economic impacts.
- 1.2 Early discussions with local Members at ward level have identified two initial priority areas for spend against the Place Based Investment Fund for the ward. Two key areas of societal and economic impact emerged from discussion and these were housing need and supporting business development. This report asks the Committee to agree the budget allocations outlined in the report and also to note additional priorities identified for potential future spend.

2. **Recommendations**

- 2.1 Members are asked to consider and agree the proposed allocations of Place Based Funds as follows:
- i. Up to £15,000 for a Housing Needs feasibility study. Funding to be delegated to the Head of Development and Regeneration to progress.
 - ii. Up to £20,000 for scoping for a Housing for Businesses Project. Funding to be delegated to the Head of Development and Regeneration to progress.
 - iii. Commissioning an independent audit of empty commercial units and bringing forward proposals for potential solutions – up to £10,000.

- iv. Members are also asked to note that reports will be brought back to this committee as required for future budget allocation in terms of the additional priorities identified and outlined at section 8.

3. Implications

- 3.1 Resource – The resource implications are set out in the report. The proposals outlined would allocate up to £45,000 from the Badenoch and Strathspey Place Based Fund.
- 3.2 Legal – No legal implications
- 3.3 Community (Equality, Poverty and Rural) – The allocation of funds being proposed within the report aim to address the ongoing housing challenges facing the community of Badenoch and Strathspey that is impacting upon individuals' ability to live and work within the local area, and businesses to be able to attract staff and effectively operate. This would address a specific socio-economic impact facing many individuals and families within the Badenoch and Strathspey community.
- 3.4 Climate Change / Carbon Clever – There is an increasing reliance on people having to travel into the area in order to work and businesses to seek staff from outwith the community all resulting in increased travel which will have a negative environmental impact.
- 3.5 Risk – The risk in not addressing the housing situation could result in this reaching a critical point. The funding will provide the underpinning evidence required to support developing solutions and potentially make the case for future government funding.
- 3.6 Gaelic – There are no specific Gaelic implications.

4. Background

- 4.1 As part of the budget setting process, a Place Based Investment Fund was created for 2021/22 allocating £100,000 to each ward across Highland. The aim of this fund is to address the four harms of covid - direct health harms; health impacts not directly related to Covid; societal impacts and economic impacts. Any funding needs to set out how it will address one or more of the four harms of covid.
- 4.2 Initial discussions within Badenoch and Strathspey have considered information gathered through the community, business and partnership discussions. This has concluded that one of the ongoing and greatest challenges facing the area continues to be the availability of housing. The lack of available housing results in:
- Economic challenges facing local businesses unable to recruit and retain staff who have nowhere to stay locally. This has a wider impact on the economic recovery of the area;
 - Individual socio-economic impacts on individuals and families unable to remain in the area due to the lack of housing;
 - Individual mental wellbeing impacts on individuals and families unable to access appropriate housing to remain locally
 - Environment impacts as a result of increased travel into and outwith the area for work
- 4.3 A related supporting strand is how to further support small business enterprises to operate given the limited property market. With the increase in remote working, this would support greater economic development and recovery for the area.

- 4.4 Following discussion with Members, partners, community and the business sector, three key areas have been identified to progress and support addressing this challenge utilising the place based investment fund:
- Housing needs assessment – in order to better understand housing need requirements within the area
 - Housing for business project – exploring alternative housing models
 - Supporting business development – independent audit of empty business units to explore solutions

Each of these is explored in more detail in sections 5-7 below.

5. Housing Needs Assessment

- 5.1 The impacts of Covid have been felt across Badenoch & Strathspey and in particular the housing situation has been exacerbated as many properties that were previously available for rental have become permanent homes or have been taken off the rental market to convert to holiday lets. In addition, the increase in house prices and the decrease of properties coming on the market has impacted on the ability of people to take up local jobs.
- 5.2 The housing problems in Badenoch & Strathspey are already well documented Meetings have been held at a Highland wide level with HIE, NHS, CNPA and business leaders with a small working group set up to tackle this issue. Discussions with national politicians continue to determine what public sector intervention is required. The Head of Development and Regeneration has met separately with representatives of the Cairngorm Business Partnership to discuss local concerns and potential solutions.
- 5.3 The impacts on the local community are evident with young people moving away due to the lack of accommodation when there are jobs available. Key worker posts are also not being filled as has been recently evidenced by NHS Highland at the Badenoch and Strathspey Community Partnership where it was reported that it had not been possible to recruit to two professional posts as those offered the jobs could not find accommodation. This is of particular concern with the new hospital facility due to open in Aviemore in August 2021. The Cairngorms Business Partnership have also highlighted recruitment and retention pressures from their members for a wide variety of staff from mid management to casual hospitality staff, where lack of appropriate housing is seen as a significant barrier e.g. Cairngorm Brewery, Russwood, Landmark and most of the local hotel businesses.
- 5.4 Following discussions with the Head of Development and Regeneration, the Cairngorms Business partnership and several of its members, there is a widespread view that a lack of housing opportunities is having a significant detrimental impact on businesses with many reporting recruitment and staff retention issues across a wide range of sectors.
- 5.5 It is proposed that the Highland Council, working with Cairngorms Business Partnership, commissions a survey to identify the housing need requirements for businesses in the Badenoch & Strathspey area. The survey will identify the housing needs of both existing and potential staff and identify which housing options would be most suitable to develop.
- 5.6 It is anticipated that the cost of this survey would be circa £15,000 and would be commissioned by the Head of Development and Regeneration.

6. Housing for Businesses Project

- 6.1 Given current housing pressures, there is a commitment to look at innovative solutions to the provision of accommodation and exploring investigation into alternative housing models.
- 6.2 The Council and Cairngorms Business partnership are therefore also seeking feasibility funding to identify a site to deliver a 'housing for businesses' project, based on the housing demand identified by the survey.
- 6.3 This would involve the initial design of a project, the tenure, capital funding sources and rental guarantee/leasing options for submission to the Scottish Government for funding which could be replicated elsewhere. The estimated cost of this work would be circa £20,000 and commissioned through the Head of Development and Regeneration.

7. Supporting Business Development

- 7.1 Attracting business and enabling start-ups is part of enabling the economic recovery post Covid and the aim of working toward greater economic security. There is demand for a need to look for potential solutions and to work with partners to create opportunities to incentivise business start-ups. Addressing the housing situation is part of this and is described at item 5 and item 6.
- 7.2 The third piece of work proposed is therefore to commission an independent audit of empty commercial units and to explore options for potential solutions.
- 7.3 It is proposed to allocate up to £10,000 for this piece of work which would be commissioned through the Head of Development and Regeneration.

8. Additional Priorities for Further Place Based Local Response Measures

- 8.1 In addition to the areas outlined above, the following priority areas have been identified. Potential response measures will be considered against these priorities in the months ahead and where appropriate, considered at a future meeting of this committee:
 - Young People – Working with young people to seek their views on jobs and housing and what they see as the potential solutions.
 - Mental Health and Wellbeing – considering the impacts of social isolation in the elderly and disabled and how to reconnect.
 - Paths and Social Spaces – recognising the increased usage of open spaces and supporting local projects to bring forward projects to improve access.

Designation: Carron McDiarmid, ECO, Communities & Places

Date: 19 July 2021

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