

## UPDATE OF TRANSFORMATIONAL OPPORTUNITIES AND COHI PROJECTS

### Purpose

1. This paper combines two distinct updates. One on Regional Transformational Opportunities (RTOs). The other on the set of COHI project themes identified as being as critical to a strong and vibrant economy in the Highlands and Islands.
2. This reflects two distinct outcomes from the October 2019 meeting of the Convention, which specify that:
  - ♦ COHI supported the broad themes of the regional transformational projects paper (with an additional theme on culture and heritage), and commissioned further work led by HIE, with the Senior Officer's Group as informed by discussions with CoHI members, to develop a focused and inclusive list of transformational projects. This would be discussed at the next COHI in March 2020 (which was of course cancelled because of COVID-19);
  - ♦ COHI members welcomed the progress emerging from the ongoing work of the Senior Officers Group. They endorsed the importance of the existing range of projects but with a greater focus on maximising the connections between areas in order to retain and attract young people and drive up working age population. The opportunities driven by digital as an underpinning for providing greater educational opportunity were particularly highlighted. COHI members asked for projects to be reframed to deliver integrated action in the context of a post-2020 timeframe factoring in themes including climate change and repopulation.

### Regional Transformational Opportunities

3. The Regional Transformational Opportunities (RTOs) were the result of commissioned research in 2019 to identify, in more detail, the nature and potential scale of RTOs in relation to Marine; Energy; Advanced Technology (including the space and aeronautical sector); and Natural Capital.
4. Considering transformational *opportunities* rather than focus on single projects was endorsed as this had several benefits, namely:
  - Widening geographical reach;
  - Increasing opportunities for intra-regional projects and collaboration;
  - Providing potential for stronger inclusive growth and wellbeing outcomes; and
  - Providing a longer-term vision which can evolve as projects are identified which can meet the aspirations of these RTOs.
5. Positive input and engagement from COHI partners enabled delivery of the March 2020 report which provided a compelling overview of the transformational opportunities that would contribute significantly not only to local and regional growth but to national economic growth. It also identified opportunities for the region to take a lead role in piloting and developing new approaches which could

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be of wider benefit. It was positive that there was very strong alignment between the RTOs and the growth deal projects/proposals.

6. Since March, clearly the onset of the pandemic resulted in COHI partners focusing on resilience and restart effort. The impact of COVID-19 on the region is wide-ranging and regional economic recovery will require careful planning of the short-medium and long-term priorities. The RTOs were developed within a different context pre COVID and are long-term in their vision although can still contribute to that wider planning.

### **Conclusions**

7. Given the dramatic change in context, rather than revisit the report, the original research provides useful groundwork that can contribute to the development of wider opportunities for the region. The RTOs remain valid and do resonate with the priorities set out in the Programme for Government and the Advisory Group on Economic Recovery, particularly place, transition to net zero, innovation, blue economy and healthcare. Opportunities to support the development and resilience of the indigenous language, culture, heritage and tourism opportunities also chime strongly given the current impact on the sector.
8. It is significant that the Growth Deal priorities and projects across the region are strongly aligned with the RTOs and will be a key focus of partner resource and efforts. These provide an opportunity for both local approaches, and collaboration across the deals to deliver wider aspirations for the region.
9. **COHI is invited to note the work undertaken up to March 2020 and its potential to contribute to the wider opportunities that will need to be explored and developed as part of regional economic recovery planning work.**

### **COHI Projects post-2020**

10. The seven themes identified by CoHI as being critical to delivering a strong and vibrant economy in the Highlands and Islands are:
  - Digital
  - Transport
  - Skills
  - Talent Attraction
  - Marine
  - Energy
  - Housing
11. As commissioned by COHI, further work has been undertaken by the CoHI Senior Officers' Group (SOG) to review and reframe these work-streams to deliver integrated action in the context of a post-2020 timeframe, factoring in themes including climate change and repopulation.

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12. While again acknowledging the positive input and engagement from COHI partners in preparing this paper, that work is for all intents and purposes ongoing, given a range of factors including:
- The developing and evolving economic and social impacts of COVID-19 has altered the context of these projects, and the agenda for this COHI meeting reflects that and should provide a stronger foundation for project redefinition; members will also recognise the short-term impact on the capacity available to progress review work in a meaningful way;
  - Reframing discussions have confirmed the need to address a wider issue of project resource, as some of this work is essentially being progressed in the margins of senior officer responsibilities with some exceptions, and it is clear that progress is predicated on adding collaborative value and close alignment with the resourced activities of COHI members.
13. However, COH members are also invited to note and endorse two confirmed findings:
- Digital, like climate change and population, is a cross-cutting, underpinning priority; and
  - The Highlands and Islands Skills Investment Plan is the appropriate vehicle for skills planning and will continue to be a core strand of the Skills project.
14. The latter is a good example of ongoing project activity and impact. In June 2020, in response to both the findings of the refreshed Regional SIP and the emerging economic crisis, the HISIP Programme Board adopted a new Terms of Reference, including adopting a new name: Highlands & Islands Skills Leadership Forum. The forum has now met twice (June and September 2020) and provides CoHI member organisations a refreshed forum for enabling purposeful discussions with key agencies and local authorities; to align and co-ordinate the activities of the enterprise and skills agencies at a Regional level and inform developments at a Local level.
15. Since June, partners have been developing services and provision to respond to immediate challenges including:
- Influencing Academic Pathways through Identifying immediate employment opportunities in Health and Social Care; Early Years Learning and Childcare; Energy; Blue Economy Digital; Land-based; Transport and Retail
  - Influencing Work Based Learning, such as the introduction of Pathways to Apprenticeship which support routes into employment and protecting and retaining apprentices.
  - Upskilling Interventions, such as the expansion of the Flexible Workforce Development Fund,
  - Retraining Opportunities, such as the introduction of the National Transition Training Fund help up to people aged 25 and over to develop the skills required to move into sectors with the greatest potential for future growth and job opportunities.

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16. The annual reporting structure requires an update to CoHI at the autumn meeting with a focus on a specific theme. This year, the spotlight is on digital connectivity as key to a green economic recovery and also in supporting rural repopulation.
17. Access to broadband and mobile connectivity has been thrown into sharp focus during the last months, proving to be crucial in underpinning the ability to work and learn from home, providing access to health and other services and for keeping in touch with family and the wider community. Building on the progress made by the Digital Scotland Superfast Broadband (DSSB) programme which has seen over 95% of premises now able to access fibre broadband, the Scottish Government's Reaching 100% programme (R100) will ensure every premises (business and domestic) can access at least superfast speeds by the end of 2021.
18. R100 is being delivered through three strands: three contracts with BT worth £600m (North, Central and South), the Scottish Broadband Voucher Scheme (SBVS) and through commercial delivery. Whilst work has now begun in the Central and South areas, the North contract award was delayed due to a legal challenge from an unsuccessful bidder. The case has now been settled with the expectation that the contract will be signed by the end of the year.
19. Meanwhile, Scottish Ministers took the decision to make every premises in the North area eligible for a voucher through the SBVS. The scheme offers up to £5000 (or more if the premises is also eligible for the UK Government's Gigabit Voucher Scheme) and already there are 36 registered suppliers. Once the coverage of the North contract has been finalised, any premises which will ultimately be reached by that contract but after the end of 2021, will be eligible for an *interim* voucher worth up to £650 whilst those not covered by the contract will be eligible for the full value voucher as above.
20. Highlands & Islands Enterprise managed the DSSB contract for the H&I region and will continue to play a key role in R100, through staff embedded in the Scottish Government's R100 programme team. The programme's stakeholder function will ensure regular updates with all relevant bodies in the HIE region, including working with key contacts in each local authority.
21. COHI is invited to:
  - **Endorse a redefinition of the project programme to cover 6 themes:** Transport; Skills; Talent Attraction; Energy; Blue Economy; and Housing, underpinned and connected to digital, climate change and repopulation;
  - **Note ongoing activity to review and reframe these work-streams** to deliver integrated action in the context of a post-2020 timeframe; **and in that context, related consideration of project resource** necessary to support delivery at pace, where possible;
  - Again, **note the work undertaken and its potential to contribute to the wider opportunities that will need to be explored as part of regional economic recovery planning work;** and
  - **Recognise and welcome examples of progress and impact** emerging from ongoing project activity, and in particular on digital connectivity as a driver of green economic recovery and also in supporting repopulation.

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