



REPORT TO: MORAY COUNCIL ON 29 JUNE 2022

SUBJECT: STRATEGIC PRIORITIES AND FUNDING OPPORTUNITIES

BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)

1. REASON FOR REPORT

- 1.1 To inform the Council of increasing funding opportunities in relation to Council agreed priorities.
- 1.2 This report is submitted to Council in terms of Section III A (2) of the Scheme of Administration relating to long-term financial plans.

2. RECOMMENDATION

- 2.1 **It is recommended that Council consider and note the availability of funding and priorities identified that could benefit Moray.**

3. BACKGROUND

- 3.1 Over recent months the funding landscape has seen an increase of UK Government, Scottish Government, Lottery Funds and other new funding streams. They include but are not limited to the funds featured in the Funding Matrix which seeks to map funding against priorities (at LOIP, Corporate Plan and Service Plan level) which would normally seek funding opportunities included with this report as **APPENDIX I**. As most funds require match funding the table also highlights potential match funding sources from the various other funding streams. For example for Town Centre Improvement Plans, investments could be accessed from the UK Shared Prosperity Fund potentially matched with Place Based Investment, Crown Estate Coastal Community and National Lottery Funds. The funds have been colour coded to show those which are directly allocated and require no bidding process or already achieved against those which require a direct competitive bidding process or submission of bids and investment plans to receive the funding.
- 3.2 The scale and breadth of funding available as well as delivery timescales is unprecedented. The combination of Growth Deal, Just Transition, UK Levelling Up and Shared Prosperity Fund on top of traditional funding streams such as education, housing etc. represents potential investment levels in Moray over the next 10 years totalling £328 million.

- 3.3 Based on current levels of funding and where needed a proportionate allocation we would estimate the potential over 10 years to be :- Growth Deal £100 million, Just Transition potential £100 million, UK Levelling up £35 million, UK Shared Prosperity Fund £17 million, Regeneration Capital Grant Fund £15 million, Crown Estate net revenue £1.5 million, Place based investment fund £5 million, Rural Tourism Infrastructure Fund £3 million, Heritage place based investment programme £10 million, various Climate Change/ Transport funding depending on projects, £30 million plus various smaller pots and specific funds that could be used as match funding in bigger projects estimated £20 million.
- 3.4 To access most of these funds requires detailed business cases and/or investment plans with evidence of demand and need, strategic fit with national, regional and local strategies alongside with outputs and outcomes for any proposed interventions.
- 3.5 It will be difficult to prioritise or turn down opportunities for funding, as these funds operate at different scales, the big prizes associated with the Growth Deal, Levelling up and Just Transition funds can overshadow some of the smaller regeneration and other funds that make a real difference to smaller towns and communities in Moray.
- 3.6 The Council priorities as articulated in the Corporate Plan should determine the level of resources available to deliver different work streams. The availability of funding should not be a driver for a particular project unless it delivers against the priorities established by the Council and forms part of a strategic approach or plan. In cases where Council priorities and funding opportunities align but we have insufficient capacity in existing resources to develop a bid and there is inadequate capacity or development funding provided within the funding to support this, this will need to be considered on a case by case basis against the Council's financial position and priorities at that time. If successful on funds such as Levelling up and Just Transition, the management capacity within teams will be largely utilised and therefore the capacity to develop future bids will diminish accordingly. As detail of even current funding continues to emerge only shortly before submission deadlines, this makes achieving any more than a short term overview of resource demands arising from external funding bids very challenging and may mean that, after consideration, the council is unable to resource funding rounds which arise during in a peak of activity or after resources have been exhausted.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

These funds will contribute to achieving the corporate plan priority to promote economic development and growth, also the LOIP priority of a growing and sustainable economy.

(b) Policy and Legal

The Council considers support for economic development issues on their merits, against the objective to facilitate sustainable economic growth

and the desired outcomes of the Ten Year Plan and Corporate Plan. Any funding agreements will be undertaken in consultation with Legal.

(c) Financial implications

Whilst there are no direct financial implications arising from this report, however it presents an opportunity to maximise investment into Moray against a backdrop of local government financial constraints. It is likely that the development of business cases and projects will require capacity and development funding and this is not always available from the funding streams and will require individual requests for funding from reserves as and when these cases arise. It is important therefore that bids for external funding are associated with the delivery of Council priorities.

(d) Risk Implications

There will be reputational risk for Council not to engage with any of the funds, this will be mitigated by clear reports setting out resource needs for a particular work stream against the Council priorities and financial position. Where Council is either responsible for a fund or the lead applicant it will be responsible for administration, management and performance monitoring to mitigate any risks associated with any of these funds. Strategic projects will be reported through governance processes and the Transforming the Economy Board.

(e) Staffing Implications

The various new funding streams present challenges in terms of the staffing resource for the development of projects / funds and to manage and administer these including performance monitoring across the various Council services. However some of the new major funding streams such as UK Shared Prosperity Fund offer 4% of total budget allocation for administration.

(f) Property

None arising from this report, however for priorities such as Buckie Harbour, Housing and Employment Land ((Industrial Estate) and vacant properties potential funding sources have been identified.

(g) Equalities/Socio Economic Impact

The funds will bring economic investment into Moray's areas of which some are characterised by low wages, low rates of full-time employment, wealth deprivation and child poverty. It includes specific funding programmes to tackle some of these issues.

(h) Climate Change and Biodiversity Impacts

None arising from this report, nevertheless a range of funds have been identified which can contribute to Climate Change and Biodiversity impacts.

(i) Consultations

The Depute Chief Executive: Economy, Environment and Finance, the Head of Economic Growth and Development, the Head of Governance Strategy, the Head of Financial Services, the Equal Opportunities Officer

and Tracey Sutherland (Committee Services Officer) have been consulted and their comments incorporated.

5. CONCLUSION

- 5.1 The level and pace of funding opportunity is unprecedented and could provide transformational change to Moray over the next 10 years helping to address numerous priority outcomes including poverty, inequality and building resilient communities.**
- 5.2 These multiple strands of complementary funds are available for both development and delivery of identified priorities, which could result in a substantial programme of investment in Moray.**
- 5.3 To maximise these funding opportunities relevant resources have to be made available for the development, delivery and management of these funds, where these cannot be done within existing resources they will be reported to Committee as and when required to enable consideration of the project against other Council priorities and the Council's financial position. Proposals should deliver an existing plan or strategy of the Council that aligns with the Corporate priorities, however in the current financial climate there may be occasions where we cannot participate in funding rounds.**

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Background Papers:	Economic Growth & Regeneration Manager Documents on file in Economic Growth & Regeneration section.
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