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- a) Consider the report and note the Levelling Up Partnership process as it is currently understood;
- b) Agree that officers engage with the UK Government officials on the long list of projects as identified in Table 1 of this report.

### **3.0 DETAIL**

- 3.1 It should be noted that the process to choose the final projects is different to any other process we have entered into with either the UK or Scottish Governments. For example, it is envisaged that the long list of projects will be identified by May 2024 and the short list by 15<sup>th</sup> of July 2024. Business cases will then be undertaken by the UK Government (not the council) with a final decision made in September 2024. There will be a degree of public consultation but no details have yet been provided on the detail of the process. It should be noted that the final decision on the successful projects will lie with the Secretary of State and not the council and he has certain preferences as far as it is understood.
- 3.2 It should be further noted that the Minister for Levelling Up Jacob Young will meet Brendan our MP as part of this process and indeed there has already been an initial meeting held. Another important aspect of the funding is that there are other things that can be brought into play including changing/removing regulations and/or fiscal changes to unlock barriers to growth. This would be worthy of some detailed consideration to engage with the UK Government on and it should be further noted that the Scottish Government will also be asked to be involved in this part of the process.
- 3.3 In terms of the kind of projects it very much follows the levelling up agenda, business, transport connectivity, community safety, skills and education, housing etc.
- 3.4 Council Officers have drawn up a list of 10 possible projects for consideration. Given recent decisions by the council in the budget process and the challenges to deliver by set timescales a RAG status has been applied to each project together with estimated costs and additional comments as appropriate. It is proposed that once considered by the Council this will form a long list of projects that will be considered by the UK Government representatives.
- 3.5 These projects are thought to align with the principles of the Levelling Up Agenda as expressed by the UK Government but they are subject to public consultation, deliverability and evidence to inform the business case preparation. The UK Government will actually do the business case work but we will provide a lot of the necessary information, policy documents and

understand the scale of our geography and asked for a provisional long list of potential projects to help guide them where they should go to have a better understanding of the challenges and opportunities we have as a place. This long list, following consideration by members, will need to ultimately conform with the overall principles of the Levelling Up Agenda from the UK Government and a detailed business case. It should be noted only 2 or 3 projects are likely to be supported by this funding route so it is important to manage community expectations on what this money can achieve and ultimately be used for.

community  
woodland.



<b>Islay Roads Scheme</b>	Investment in the Islay Road Network to accommodate whisky expansion	£10 to £15m ask to significantly upgrade freight capacity of Islay road network	Difficult to demonstrate economic benefits; no match funding identified or detailed costings
<b>Former Royal Hotel Rothesay (Bute)</b>	Refurbish former prominent building into 13 new homes and commercial space on ground floor.	£5m capital to fully restore building	Difficult to deliver in timescale; Not in council ownership.

- 3.7 The UK Government is looking to formally launch the Partnership in early June with a further visit planned for that date although no specific day has been agreed. They have expressed a desire to view a number of the potential projects at that stage. They need public transport access so it was suggested that Helensburgh, Bute and Oban could help provide an overview of the area. However, that may all change and is of course subject to your consideration of the long list of projects and others that may present themselves in due course.
- 3.8 Further details of the process have been requested in written form from UK Officials. The first tranche of capacity funding will happen on the 1<sup>st</sup> of April 2024 and this will be the only money we receive this financial year. Given the quantum involved (£45k) it is likely to be spent on additional in house administration capacity due to additional workloads on existing teams.

July. The UK Government will do the business cases and the final project (s) are to be selected by September, by the Secretary of State and not the council. There is also an offer of policy changes to address barriers to growth and further consideration will have to be given to this important aspect. As further details emerge of the Levelling Up Partnership process members will be informed and it is intended to update members at the next EDI Committee.

## **5.0 IMPLICATIONS**

- 5.1 Policy - The Single Outcome Agreement (SOA) and Economic Development Strategy and Action Plan support the sustainable growth of our economy.
- 5.2 Financial None arising from this report although it concerns a £20m capital potential investment plus possible policy interventions.
- 5.3 Legal None arising from this report.
- 5.4 HR - None arising from this report.
- 5.5 Fairer Scotland Duty:
  - 5.5.1. Equalities - The report explains a process that can help support the economy of our areas generating employment opportunities.
  - 5.5.2 Socio- Economic Duty There is a risk is we do not make progress

## **APPENDIX 1 - FINANCE NOTE FOR ARGYLL AND BUTE COUNCIL**

### **APPENDIX 1**

#### **FINANCE NOTE FOR ARGYLL AND BUTE COUNCIL**

As you know, Argyll and Bute was selected as a Levelling Up Partnership at Autumn Statement 2023. The DLUHC policy team will soon be in contact to discuss next steps. This note is intended to give you an understanding of the financial package, how funding will be delivered, and important considerations for the development of intervention packages.

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explain the reasoning, and provide formal Section 95 officer approval. Changes to the agreed package will be permitted under the following circumstances:

a.

Once policies are agreed and approved, we will agree a final list of priority outcomes for the local authority for monitoring and evaluation, which reflect the overall theory of change for the partnership and the specific interventions agreed.

### **Speed of spending**

We will prioritise projects that can spend funds within the financial year in which payments are received. In order for the DLUHC Accounting Officer to be able to sign-