

Agenda Item	<b>10</b>
Report No	<b>ECI/7/21</b>

## HIGHLAND COUNCIL

**Committee:** Economy and Infrastructure

**Date:** 4 February 2021

**Report Title:** Inverness and Highland City-Region Deal

**Report By:** Executive Chief Officer Infrastructure and Environment

### 1. Purpose/Executive Summary

- 1.1 The purpose of this report is to provide committee with an update on the Inverness and Highland City-Region Deal. Good progress continues to be made with despite some delays on specific projects, largely as a result of COVID.
- 1.2 Planning permission has now been granted for the FIT homes development in Nairn and this will allow this project element to commence. Planning permission has also been granted for the Life Science Centre and invitations to tender have been issued.
- 1.3 The Dingwall Newton Room has hosted its first pupils from Dingwall Academy and planning has started on the Inverness Newton Room at the UHI campus.
- 1.4 The Annual Conversation between The Highland Council, Scottish and UK governments took place in December to review progress of the City Region Deal and agree areas for further support and development for the programme.

### 2. Recommendations

- 2.1 Members are asked to
  - note progress with the City Region Deal during the last Quarter; and
  - agree the Annual Report 2019/20 attached at **Appendix 2**.

### 3. Implications

- 3.1 Resource – The Highland City Region Deal comprises a £315.1m funding package (Scottish Government £135m, UK Government £53.1m, local partners £127m) and is provided over a 10-year period.
- 3.2 Legal - It should be noted that the City-Region Deal is a signed undertaking to deliver specified projects. These cannot be changed without the express consent of the UK and Scottish Governments. There are, however, no legal implications because of this report.

- 3.3 Community (Equality, Poverty and Rural) - There are no community impact implications arising from this report.
- 3.4 Climate Change / Carbon Clever – Wherever possible, the City region Deal projects will contribute towards the Council’s targets in respect of climate change. The team is continuing to work to ensure that this continues as part of the Council’s economic recovery strategy.
- 3.5 Risk - No additional risks arise due to the content or the publication of this report.
- 3.6 Gaelic - There are no Gaelic implications arising from this report.

#### 4. Introduction

- 4.1 The Highland Council is the lead body for the Inverness and Highland City-Region Deal which is being implemented by a partnership between the Council, Highlands and Islands Enterprise, The University of the Highlands & Islands (UHI), and Albyn Housing Society Ltd.
- 4.2 Collectively, this £315.1m funding package (Scottish Government £135m, UK Government £53.1m, local partners £127m) is provided over a 10-year period, subject to detailed business cases, statutory processes and implementation plans. The Deal is currently in year four.

#### 5. Project Progress

- 5.1 The projects within the City-Region Deal are shown in **Appendix 1**, which provides a description and an update on the status of each project. Progress against the projects is reported to this Committee quarterly in a consistent format which facilitates transparency about where progress is good and where remedial action may be necessary. Highlights for the period can be found below:

5.2 **Science Skills Academy (SSA)**  
 The Dingwall Newton room successfully hosted pupils from Dingwall Academy under strict Covid 19 safety measures in December. The development of an Inverness room has started and is to be located on the UHI campus. The SSA is supporting the Build Back Better initiative through provision of lesson packs on Covid 19. This helps pupils of all ages understand the importance of, and science behind, the preventative measures that are in place in their daily lives.

5.3 **Inverness Castle**  
 The call for stories for the Spirit of the Highlands has been very well responded to, with over 100 entries received so far. Design and consultation work is underway to determine what facilities will be in the castle from art spaces to catering to retail. Exploratory works continue at pace around the castle.

5.4 **UHI Life Sciences Innovation Centre**  
 The planning application for this project has been approved and an invitation to tender for a contractor has been issued immediately for submissions by 8 February, 2021.

5.5 **Innovative Assisted Living (Fit Home)**  
 Albyn Housing Society has commenced work at the Castle Park site to build 11

homes under this project. The Nairn site has had the planning appeal allowed and work can commence to prepare for the build of 10 homes under this project. A mid-project review is underway to refresh and refine the project aims and objectives due to report February 2021.

## 5.6 **West link**

The structural elements of the new bridge have arrived on-site and fabrication will be complete in the next few weeks. Commissioning will start as soon as fabrication is complete. Streetlighting is completed on A82. The Toucan pedestrian crossing is fully installed and operational on General Booth Road. A second Toucan crossing at Tomnachurich Bridge is installed and expected to be operational by the end of January 2021. Construction of final phase is therefore well underway. The original planned completed date was December 2020, but due to the pandemic and the 3 months cessation of construction projects this has been delayed to March 2021.

## 6. **Governance**

6.1 The projects report to the quarterly City-Region Deal Programme Board, chaired by the Executive Chief Officer Infrastructure and Environment, and attended by the lead officers for each project, a representative from the Council's Resources and Finance Service, and both the Scottish and UK Governments. The Board reports to the Economy and Infrastructure Committee and undertakes the following roles:

- ensures delivery of business cases and the implementation plan;
- ensures effective co-ordination between partners;
- ensures the ongoing overall alignment of the individual projects within the programme;
- resolving strategic and operational issues between projects; and
- monitoring project status and ensure project delivery; and manage risks and financial commitments.

The Board met on 20<sup>th</sup> January 2021, and a verbal update will be given to the Committee of issues arising.

6.2 A Members' City Region Deal Monitoring Group also monitors progress, and this group met on 21 January 2021. Similarly, a verbal update will be given to this Committee of any issues arising.

## 6.3 **Government Reporting**

6.3.1 As would be expected from a programme of the scale of the Inverness and Highland City-Region Deal, accountability to the Scottish and UK Governments, as the major funders, requires regular reports and programme management activities.

6.3.2 The Annual Conversation was held on the 18 December 2020. Principle attendees were the Chief Executive and lead Council officers; Scottish and UK Government Heads for Regional Economic Development and for City Deals.

6.3.3 The associated draft Annual Report was well received by the representatives noting excellent progress in many of the projects. Key agreements were:

- support and greater communication with Scottish Government R100 team to help expedite the Digital project's work alongside the R100 project for the Highlands;

- to instigate a benefits realisation interim review;
- work with Scottish Government lead on inclusivity and equality measures for the Benefits report;
- develop a communications plan to increase awareness of the City Region Deal work; and
- commitment to provide further resource the Council's City Region Deal Programme Management Office.

The Annual Report for 2019-20 is attached as **Appendix 2**, and Members are asked to approve the document for publication.

## 7 Programme Level Risks

- 7.1 **The Covid-19 pandemic** - As previously reported, some delays and issues have arisen from previous restrictions and a variety of mitigation and alternatives were successfully deployed. This was possible due to the easing of some restrictions. The restrictions applied in January 2021, and threat of further tightening mid lockdown is a risk. Announcements of tightening made on 13<sup>th</sup> January 2021 have not materially affected the construction industry. There are however issues around access to sites, obtaining materials and increased safety measures which may affect several projects in the programme.
- 7.2 **Underspend** – several projects are at risk of underspend within year due to a range of factors including Covid 19 and legal delays. Those projects are working to resolve those issues and get their projects back on schedule, however in some cases this will mean however the spend will need to be carried forward (subject to agreement with funders).
- 7.3 **Digital** – The Digital project remains in severe delay due to the delayed signing of an agreement with the supplier. The project awaits the new plan of work to be published and has been assured of every support from the R100 project team to examine how best to execute the city deal digital project.
- 7.4 **Brexit** – Several projects, particularly infrastructure related, are at risk from material and worker resource availability from the EU. It is still too early at the moment to quantify the impact but the next round of invitations to tender for projects will give an indication of the likely impact.

## 8. Financial Position

- 8.1 The Programme provides a profile for spend across the UK and Scottish Government funding; this is tracked to ensure compliance with central government accounting practices, and that spend is monitored as a way of assessing progress against project plans. Spend against profile has been improving against the early years, however Covid has impacted on the majority of projects, and consequently there will now be further delays in achieving spend.

Year (s)	Profile
Spend to Date	£13,233,990
20/21	£8,660,256
21/22	£16,771,584
22/23	£21,098,968
23/24	£13,721,622

QTR.	Profile	Actual
Qtr 1	£1,149,814	£699,369
Qtr 2	£1,999,308	£1,107,248
Qtr 3	£2,333,864	£638,637
Qtr 4	£3,177,270	-

24/25	£5,171,291
25/26	£980,926
<b>Total</b>	<b>£79,000,000</b>

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Notes: There will be no planned spend for Digital in 20/21

Designation: Executive Chief Officer Infrastructure and Environment

Date: 13 January 2021

Author: Felix McGunnigle, City-Region Deal Programme Manager

**Appendix 1**

**Inverness City Region Deal Project Dashboards**

## Inverness Castle

1. Management Summary					
Summary:	Overall Project Status	Progress against Plan	Financials	Benefits	Risk Register
This Report	G	G	G	G	G
Last Report	G	G	G	G	G
Main Reasons for Change					

<b>Red</b>	<i>Significant issues with the project delivery</i>	<b>Amber</b>	<i>Negative effect on project delivery</i>	<b>Green</b>	<i>Project is performing to plan</i>
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2. Executive Summary – for previous quarter
<p>Despite the Covid-19 outbreak, the project remains on programme and on budget, with Design Development Stage (RIBA Stage 4) underway. As mentioned previously, the exception to this is the planned public engagement around the landscape planning aspects of the project which have been delayed and will be re-scheduled once the restrictions have been eased.</p> <p>In relation to the content development, this part of the project has also generally maintained momentum during the period of disruption arising from the COVID-19 pandemic. The primary theme for interpretation content, Spirit of the Highlands in 100 Stories, has been widely tested and well received. A public call for stories launched in September backed by a marketing campaign on radio, TV and social media, has generated over 100 stories at the time of writing. A number of other story-gathering projects/organisations in the area have been identified and contacted and an informal association has been convened to explore how story collections might be coordinated into the project’s digital archive, the Autobiography of the Highlands.</p> <p>The development of the plan for the use of the various spaces within the castle has progressed, supported by consultation with industry specialists in catering, retailing and interpretation design, as well as limited site visits. A schedule of consultation and research has been developed to market-test the various content elements in future: interpretation, events, retail, catering, galleries and visitor attraction. A commissioning scheme - Spirit 360 - is being developed in association with Creative Scotland to enable the creation of several small artworks within the overarching theme. Similarly, a major project - Spirit Journeys - has been co-developed with VisitScotland to utilise the stories as a means of enabling visitors to navigate around the Highlands. An application for support of this is currently being assessed through the Natural and Cultural Heritage Fund.</p> <p>The general disruption to work during 2020 has had some effect on content development, primarily in restricting access to partners and potential associates who would have contributed to the development process, however, there has been no material effect on the project timescale. A key element of the content team - the interpretation design specialists - are expected to be contracted by late Spring and this will have a significant positive impact on progressing the project to the next design stage.</p> <p>The Data Curation Graduate (funded by Scotgrad) has started in the role and will co-ordinate the collation and management of the stories through to their eventual interpretation.</p> <p>Work continues to explore additional sources of funding, and to make applications where necessary. Updates on the status of current applications is listed below.</p> <ul style="list-style-type: none"> <li>- CRD Business Case: work continues on the development of the Final Business Case, following approval by both UK and Scottish Government of the Outline Business Case.</li> <li>- The Council’s capital contribution to the project was approved as part of the capital programme report to full Council in January 2021.</li> </ul>

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- NCHF: the revised application – ‘Spirit:Journeys’ – was submitted in December, with a decision is expected in early January.
- If the NCHF application is approved, an application will be made to HIE to contribute to the NCHF project costs.
- Similarly, Visit Scotland will provide 50% of the match funding required for the NCHF project, if approved.
- Dialogue has been initiated with both Scottish Futures Trust and the Scottish Government to seek support for extensive new works to enable universal access to the roof of the castle through the creation of a new viewing tower accessed by a lift.
- Private sector: discussions are ongoing with potential sponsors and investors for phase 1 of the masterplan.

### 3. Implementation Plan

Ref	Milestone	Description	Original Date	New Date	Comment
1	Preparation and brief.		05/04/2019	05/04/2019	Complete
2	Concept Design		20/09/2019	20/09/2019	Complete
3	Design Development		08/05/2020	08/05/2020	Complete
4	Technical Design		02/10/2019	02/10/2019	Complete
5	Tender Action		30/04/2021	30/04/2021	
6	Construction		20/06/2023	21/06/2024	After concept design stage construction period changed from 2 years to 3 years
7	Handover and Close out		04/07/2023	05/07/2024	
8	Fit Out/Opening		28/09/2023	29/09/2024	

### 4. Benefits Realisation

Ref	Measure	Description - <i>Impact of benefit</i>	Benefit Type	Realisation Starts	Realisation Ends
1	Visitor numbers per annum – Inverness Castle Viewpoint	2017/18: 27,825 visitors 2018/19: 29,295 visitors 2019/20: 35,119 visitors			
2	Increased number of visitors to Inverness				
3	Increased visitor stay and spend in Inverness				
4	Increased visitors to other parts of the Highlands and Islands				
5	Generate an operating surplus				



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6	Additional economic Gross Value Added (GVA) to the region				
7	Generate new FT and PT jobs				
8	Catalyst for further private sector investment in Inverness (in retail and accommodation sectors)				
9	To support the delivery of Phase 2 & Phase 3 of the masterplan				
10	Community facilities				
11	Protecting a key cultural asset and cultural benefit				
12	Enhanced national and international profile of Inverness and the Highlands and Islands				

<b>5. Financial Profile for Life of Programme (CRD Funding only)</b>						<b>Funding: £ 16,362,000</b>	
	<b>2020/21</b>	<b>2019/20 Q4</b>	<b>Q 1</b>	<b>Q 2</b>	<b>Q 3</b>	<b>Q 4</b>	<b>Total</b>
	Forecast Spend @ Apr-20	£50,000	£262,045	£386,658	£386,658	£386,658	£1,422,019
	Revised Forecast Spend (In-Year)						
	Actual Spend		£232,128	£372,604			£604,732

<b>6. Summary of key costs against budget current year</b>				
<b>Ref</b>	<b>Cost Item</b>	<b>Budget</b>	<b>Actual Spend</b>	<b>Explanation</b>
1	Product feasibility studies	£	£	
2	Project management	£	£	
	<b>Total</b>	<b>£</b>	<b>£</b>	

## Affordable Housing

1. Management Summary					
Summary:	Overall Project Status	Progress against Plan	Financials	Benefits	Risk Register
This Report	A	A	A	G	A
Last Report	A	A	A	G	A
Main Reasons for Change					

<b>Red</b>	<i>Significant issues with the project delivery</i>	<b>Amber</b>	<i>Negative effect on project delivery</i>	<b>Green</b>	<i>Project is performing to plan</i>
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2. Executive Summary – for previous quarter
<p>Current Project status reflects delays due to COVID 19 but expect to catch during 2021/22</p> <p><b>Carrbridge</b>                      These homes were built as part of a collaborative project between Tulloch Homes, Highland Council and HHA. At the Woodlands development, Highland Council have 5 units on site for affordable housing. In addition HHA have 5 villas for mid-market rent in Carrbridge this was their first mid-market rent development within the Cairngorm National Park. Tulloch Homes are building for private sale targeted at local people.</p> <p><b>Wyvern House, Inverness</b>                      The Wyvern House development is built on the former Farm Foods site on Academy Street, Inverness. Handover of 37 flats is due to take place early 2021. This development is a mix of 1 and 2 bedroom flats. There are 23 flats for Highland Council’s affordable housing and 14 mid-market rent flats with HHA.</p> <p>The most significant risk to the project is identification of deliverable schemes given the shortage of economically deliverable sites in the Inverness area.</p>

3. Implementation Plan					
Ref	Milestone	Description	Original Date	New Date	Comment
10	Dalnain Bridge	Tender received	30/09/20	31/03/22	Tender Received awaiting statutory consents
11	Carrbridge	Site Completed and allocated	30/04/20	31/10/20	Complete
12	Academy Street Inverness	On site	30/06/20	28/02/21	On site restart
13	Slackbuie	On site	30/06/20	31/05/21	On site restart
16	Aviemore Burnside	On site	31/05/20	31/10/20	Complete
17	Netwonmore	Pre tender	31/05/20	31/10/22	Pre tender

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18	Inverness Stratton Barratts	Site Completed and allocated	30/09/20		Complete
19	Inverness Ness side	Pre tender	31/03/21		
20	Inverness, Stratton	Site Completed and allocated	31/3/20	31/10/20	Complete
21	Fort William, Achintore School	On site	31/3/21	30/06/21	On site
22	Stratton HHA	Mixed use site- council	30/12/21	31/01/22	On site
23	Fort William, The Blar	Phase 1 on site	31/3/22		On site
24	Fort William, Lochaber House	High street regeneration project	30/11/21	31/03/22	On site
25	Inverness, Castle Street	High street regeneration project	30/7/21	30/09/21	On site
26	Inverness, Lomond Gardens	On site	30/9/21	31/12/21	On site restart
27	Avoch	On site	30/6/21	31/10/21	On site restart
28	Evanton, Teandallon	Contract awarded		31/05/22	
29	Dornoch, Elizabeth Crescent	Contract Awarded		31/03/22	
30	Union street inverness	On site		30/04/22	
31	Kingussie	Contract Awarded		31/03/22	
32	Kincraig	Tender negotiation		31/05/22	
33	Inverness, Ness Castle	On site	31/5/22		
34	Kincraig	Tender negotiation	31/3/22		
333	Remaining Sites to be identified				

4. Financial Profile for Life of Programme (CRD Funding only)						Funding: £ 5,000,000
2020/21	2019/20 Q4	Q 1	Q 2	Q 3	Q 4	Total
Forecast Spend @ Apr-20		0	£276,000	£186,000	£36,000	£498,000
Revised Forecast Spend (In-Year)				£84,000	£72,000	£156,000
Actual Spend		0	0	£84,000		£84,000

5. Summary of key costs against budget current year				
Ref	Cost Item	Budget	Actual Spend	Explanation

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1	City Deal contribution to site purchase / development costs	£500,000	£84,000	
	<b>Total</b>	£500,000	£84,000	

**Land Remediation Longman**

1. Management Summary					
Summary:	Overall Project Status	Progress against Plan	Financials	Benefits	Risk Register
This Report	A	A	A	G	A
Last Report	G	A	A	G	A
Main Reasons for Change					

<b>Red</b>	<i>Significant issues with the project delivery</i>	<b>Amber</b>	<i>Negative effect on project delivery</i>	<b>Green</b>	<i>Project is performing to plan</i>
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2. Executive Summary – for previous quarter
<p>To regenerate a redundant landfill site in Inverness to create 18 hectares of development-ready land for light industry/commercial use. Site investigations are underway with interim reports received for discussion with SEPA. Meeting held with SEPA with actions agreed seeking to get in principle agreement by March 2019. The Highland Council is working closely with Transport Scotland to co-ordinate activities and share information in relation to the Longman interchange proposals. Final report submitted to SEPA June 2019. We have received comments on the very low-level radioactive wastes (VLLRW) and further discussions are on-going with SEPA to clarify how they will interpret statements from two of their specialists (groundwater and contaminated land) that the landfill should be “safe” with regards to human health for the surrender. Further meetings have been held and we are waiting to hear from SEPA that the latest information provided will enable the Council to formally submit an application for the surrender of the licence which would enable the surrender to be released in spring 2021</p> <p>Further discussions have been held with Transport Scotland to finalise their land requirements for new interchange. Until this is finalised, we cannot prepare the detailed business case for the remediation works as size of developable site is unknown.</p> <p>The Highland Council is also considering waste transfer station on part of the adjacent landfill site and is progressing with these proposals.</p> <p>The licence is not yet received, and timescales tied to interchange improvement works. The development area could be reduced due to ecology issues.</p>

3. Implementation Plan					
Ref	Milestone	Description	Original Date	New Date	Comment
1	Intrusive Site Investigations	Investigations last a year to enable tide cycle	Complete		
2	End of initial Investigations	A further stage will be required	23/01/18		Because the inter-relationship between remediation activity SEPA licence and Longman Interchange site boundaries will

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					change and further investigations will be needed
3	SEPA In principle approval		31/03/19		
4	Further Site investigations	for full business case	30/03/20		Will need to align with Longman Interchange work
5	Planning Application	Submit planning application for remediation works and site servicing masterplan. Instruct Transport Impact Assessment (TIA).	31/03/19	31/09/19	Significantly more investigative work will be needed
6	Remainder Business Case	full business plan submitted for remediation works.	31/01/21	30/09/21	Delayed to SEPA / transport Scotland negotiations
7	Remediation works commence		30/09/21	30/09/22	Delayed to SEPA / transport Scotland negotiations
8	Site Servicing Works commence		30/04/23	30/09/23	
9	Site Marketed:	(subject to completion of Longman Interchange)	30/04/25	30/04/25	

4. Financial Profile for Life of Programme (CRD Funding only)							Funding: £ 10,000,000
2020/21	2019/20 Q4	Q 1	Q 2	Q 3	Q 4	Total	
Forecast Spend @ Apr-20	£28,000						
Revised Forecast Spend (In-Year)							
Actual Spend							

5. Summary of key costs against budget current year				
Ref	Cost Item	Budget	Actual Spend	Explanation
1	Further Intrusive site investigations and monitoring	£	£	Unknown at this stage pending further discussions with SEPA
	<b>Total</b>	£	£	

6. Project risks and Issues					
ID	Description:	Mitigation:	RAG	Date	Owner
1	SEPA refuses release of waste licence	Continued dialogue with SEPA	A		A Maguire
2	Delays due to Longman Interchange network/ land	Close working with Transport Scotland	A		A Maguire
3	Ecological issues	Work close with council's ecology team	A		A Maguire

Northern Innovation Hub

1. Management Summary						
Summary:	Overall Project Status	Progress against Plan	Financials	Benefits	Risk Register	
This Report	A	A	A	A	A	
Last Report	G	A	G	A	G	
Main Reasons for Change			Underspend due to slippage, COVID-19. Budget reduced due to loss of ERDF. HIE funding remains unapproved.		Moderate risk of not reaching targets if changes cannot be made	
<b>Red</b>	Significant issues with the project delivery		<b>Amber</b>	Negative effect on project delivery	<b>Green</b>	Project is performing to plan

2. Executive Summary – for previous quarter	
<p><b>Financials:</b> Spend in current quarter is £250,812 against £368,095 budgeted. Spend in the current year is £816,574 compared to budget of £940,521 to date. Budget to end of 2020/21 is £1,415,938. CRD spend to date across the programme is £2,662,276.</p> <p><b>Operational:</b> Majority of projects up and running, with the exception of the Food &amp; Drink TechHub and Next Generation programmes. Digital Tourism Leaders Academy under revision. NHS Market Ready has been revised and a new programme coming onstream in Spring 2021. External consultants EKOS were contracted to carry out an Interim Review. This has entailed a number of interviews with staff, stakeholders and programme beneficiaries, along with an online survey and desk research. A final report will be delivered to HIE in January. All five (4 FTE) staff contracts have been extended to March 2022. In line with the review, these will be further reviewed in around 12 months. A new contract for marketing/promotion services is to be procured, to commence March 2021 for one year.</p> <p><b>Projects:</b> <b>Tourism</b> – the first two cohorts of the new <b>Let’s Grow Adventure Tourism programme</b> commenced in late September, with 28 businesses from across Lochaber and the Cairngorms, this level of support will continue until March 2021. Ongoing recruitment will see support for at least a further 30 business, commencing end of summer 2021 into 2022. These next cohorts will be recruited from areas Wester-Ross, Easter-Ross and Caithness &amp; Sutherland. <b>Tune into Tourism</b> ran a final Road to Recovery series of podcasts, this time focusing on different sectors, featuring local and national providers representing a range of sub sectors. A variety of video and audio content is now available online, covering a variety of topics across tourism. Since August 2019, there have been 444 individual businesses from within the Highland Council area sign up. 10 individual DMO’s receive a moderate level of support through our relationship with the <b>Digital Tourism Think Tank</b>. This provides access to a large and widespread online community that holds regular ‘round table’ calls and discussions, there is a host of resources available online, and a number of specialist workshops are facilitated throughout the year. Access to this support and collaboration is due to be widened to SME’s within Highlands area starting January 2021.</p>	



**Life Sciences** – the current contract with The Leadership Factory is due to end and a new OJEU process has begun to procure a supplier to deliver the next phase of **Pathfinder Accelerator**. The programme was rolled out across the HIE area with additional funding from HIE in Autumn 2020 – the current cohort has 9 participants and will conclude in Spring 2021.

**NEXUS collaborative space** continues to operate with the majority of businesses retaining their office leases. Our series of NEXUS webinars continues to receive a good level of interest. A new programme: **Highland Health Connect**, is due to commence later this year – this will replace NHS Market Ready which was run as a pilot earlier in the programme. The project will provide a connector for businesses looking to do business with the NHS and other health/care providers.

Food and Drink – The **Highland Food and Drink Innovation Network** has completed its first year and has engaged with over 180 businesses. The second year will ramp up activity, focussing on the international agenda, engaging with stakeholders, and the creation of an advisory board. A Logistics project (now known as HiPlan), in collaboration with The Data Lab and Robert Gordons University, continues to develop.

Plans for the **Food and Drink TechHub** continue to take shape – 55 businesses participated in a market consultation exercise and stakeholder engagement is ongoing. A revised site options appraisal is underway. A project update was provided to the CRD PMO in December 2020.

Creative Industries – **XpoNorth Digital** A total of 275 unique businesses have received direct advice to the end of December 2020. 19 businesses attracted intensive support (in excess of 7 hours), with a further 137 receiving moderate support. 140 people from the Highland Region attended at least one seminar session at the XpoNorth conference (delivered digitally). A stand out has been the fast turnaround and volume of content delivered to sole traders, businesses and social enterprises in the last 9 months. The 19 digital content workshops delivered do not encompass the wider activities with podcasts, videos, blogs, agency pitches, how-to guides covering topics such as patronage platforms, crowd funding, and making interviews look good, which have seen more than 40,000 people engaging with XpoNorth's one-to-many content.

### **Young People and Technology –**

**IMPACT30** was rolled out across the HIE region with additional funding from HIE, and the next cohort will commence on 15<sup>th</sup> January with 27 businesses participating (18 from Highland Council area; 9 from the wider H&I). A procurement exercise will commence for the next phase later this year.

**Technology Placements** – we have 4 graduate placements and 0 student placements up and running. The total to date is 8 graduate and 2 student placements. A promotional campaign began in December to raise awareness of the programme and highlight the opportunities for businesses. We are reviewing the criteria and other terms and conditions as part of the Interim Review.

**Coding Academy** – the third and final cohort of CodeClan Highlands, with 4 students taking part, will complete in January. HIE is currently reviewing its approach to this project as part of the Interim Review.

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3. Implementation Plan					
Ref	Milestone	Description	Original Date	New Date	Comment
8b	Second round of procurement	Pathfinder Accelerator, IMPACT30, Tune into Tourism, XPONorth, Coding Academy, TechHub Network re-procured.	Nov 2020 – Sep 2021	Jan 2021 – July 2022	ONGOING. Projects and dates reviewed. Procurements subject to findings of interim review.
9b	Digital Tourism Leaders Academy contract awarded	Contract to provide support to tourism businesses taking on advanced digital developments	December 2017	TBC	DELAYED. due to original contract being mutually concluded. In-house review currently underway.
10b	Food and Drink TechHub design team procured	Design team to be procured and construction contract to be awarded	March 2020	March 2021	DELAYED. Review concluded. CRD / SG approval sought for revised project.
10c	Contract awarded for Food and Drink Technology Centre	Technology centre capital project contract awarded	March 2018		DELAYED. Review of original proposal underway
10d	Next Generation Programme & second phase of Network	Contract awarded for Food and Drink Next Generation Programme & second phase of Network	August 2021	March 2022	DELAYED. Dependent on completion of Technology Centre
11	Mid-term review	Review of first 3 years of operation of NIH – looking at performance to date with regard to spend and impacts achieved. Recommendations on improvements and re-allocation of budgets	Winter 2020/21	Jan 2021	ON TRACK. Contract awarded to EKOS Consulting. Review in progress – to be completed Jan 2021.
12	NIH staff contracts extended	Approval by HIE to extend delivery staff contracts		Dec 2020	ACHIEVED.
13	*NEW* Proposal to redesign remainder of programme	Approval from CRD / SG / UKG to amend programme budgets/outputs/delivery plan.		April 2021	Following interim review, develop proposal and seek approval.

4. Financial Profile for Life of Programme (CRD Funding only)						Funding: £ 11,000,000
2020/21	2019/20 Q4	Q 1	Q 2	Q 3	Q 4	Total
Forecast Spend @ Apr-20	£385,000	£480,605	£509,598	£421,187	£540,729	£1,952,119
Revised Forecast Spend (In-Year)	£329,784	£275,520	£296,906	£368,095	£475,417	£1,415,938
Actual Spend	£329,784	£272,511	£290,735	£250,812		£814,058

5. Summary of key costs against budget current year				
Ref	Cost Item	Budget	Actual Spend	Explanation
9361099	Staff, Communications and Consultancy	£1,455,276	£689,023	
9353432	Life Sciences	£1,281,950	£740,203	

## Quarter 3 December 2020



9363595 /9363590	Digital /Adventure Tourism	£1,104,547	£286,845	Delays with some aspects
9362354	IMPACT30	£1,682,198	£421,568	
9362576	Coding Academy	£469,500	£236,689	
9363596	XpoNorth Digital	£1,593,430	£457,853	
	Technology Placements (all projects)	£930,618	£26,738	Demand significantly lower than anticipated
9367979	Food & Drink project	£1,968,210	£100,056	Delays with TechHub
	<b>Total</b>	<b>£10,485,729</b>	<b>£2,662,676</b>	

### 6. Project risks and Issues

ID	Description:	Mitigation:	RAG	Date	Owner
1	Slippage to Food & Drink project caused by delays in funding confirmation, resource, COVID-19,	BEIS approval of revised Business Case received approval in March 2019. Procurement of a delivery partner to establish Food and Drink Network in September 2019 (ahead of schedule) will ensure strong pipeline for TechHub. Replacement PM now in place and plans for TechHub underway. Contractor to deliver Food & Drink Innovation Network in place and industry engagement now underway. PM in place to manage project and currently working on revised action plan. Continue to consult with industry on plans/direction of travel. Options for siting and design of facility ongoing. Aiming to deliver capital project by December 2022.		Ongoing	Senior Project Manager, F&D Development Manager
2	Additional £1.3 million ERDF funding lost, and a further £0.5m removed from budget	Ongoing discussions with EU teams in HIE and SG. Tourism projects reduced to mitigate. Funding gap most likely to impact on Food & Drink capital project. Explore other funding options and revise budgets and outputs to suit.		Ongoing	Senior Project Manager

Life Sciences Innovation Centre

1. Management summary					
Summary	Overall project status	Progress against plan	Financials	Benefits	Risk register
This report	A	A	A	G	A
Last report	A	A	A	G	A
Main reasons for change					To reflect the unquantifiable risk on programme and construction costs until tenders return

<b>Red</b>	Significant issues with the project delivery	<b>Amber</b>	Negative effect on project delivery	<b>Green</b>	Project is performing to plan
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2. Executive Summary – for previous quarter
<p><b>Capital project:</b> the invitation to tender for a building contractor has been published (procurement led by Highlands and Islands Enterprise). The deadline is 8 February 2021, taking the new estimated contract award date to mid-March 2021 and end of construction date to summer 2022. The Planning application was approved with no notable costs arising from conditions. Legal work with Highland and Islands Enterprise on the Development Agreement and the sale of the land is progressing.</p> <p>There is an unquantifiable risk on construction costs until the tenders return and therefore the tender price is known. This won't be until February 2021. We also don't know what programme duration contractors will submit until they return their tenders. If we tender price is over budget, then we'll have to immediately need to proceed to value engineering which could be another 6 weeks of delay in addition to the contractor's programme</p> <p><b>Revenue project:</b> Research Assistant for Medical Nanotechnology started on 1 December 2020. The Health Innovation Fund (i.e. using budget lines intended for clinical secondments, health economics and e-health support) can now be instated.</p> <p><b>Communications and dissemination:</b> the press release on the approval of the Planning application was positively received.</p>

3. Implementation plan					
Ref	Milestone	Description	Original date	New date	Comment
1	First phase legal agreements complete	Initial pre-contractual partnership agreements signed to allow design and procurement to proceed	31/08/20	15/03/21	Development Agreement to be completed prior to the appointment of the building contractor.
2	Final outcome of design stage and appointment of building	Fully costed-out technical design delivered (RIBA 4). Appointment of building contractor complete.	06/11/2020	15/03/21	RIBA 4 complete. ITT for building contractor published.
3	Recruitment complete	All clinical and non-clinical staff in post, including the full complement of sessional clinical appointments.	30/04/2019		This will be an ongoing task until the end of the funding period
4	Site work commences	On site work starts, including clearing land, layout and on-site logistics.	15/11/2020	15/04/21	Delays with procurement timescale of building contractor
5	Building complete	Building commissioning completed for the UHI zone. UHI area occupied and ownership of the UHI area commences.	24/01/2022	15/07/22	Design delays with impact on procurement timescale of building contractor
6	First fully commercialised deliverables	First wave of commercial products and services graduate from the pre-incubator in readiness for establishing new companies or as validated healthcare improvements ready for uptake.	31/12/2021	31/12/22	For deliverables requiring the new pre-incubation facility, there will be a delay until the new facility is complete and used

4. Financial Profile for Life of Programme (CRD funding only)							Funding: £9,000,000
2020/21	2019/20 Q4	Q 1	Q 2	Q 3	Q 4	Total	
Forecast spend @ Apr-20		£50,000	£200,000	£500,000	£738,953	£1,488,953	
Revised forecast Spend (In-year)		£108,670	£122,000	£128,259	£154,861	£513,790	
Actual spend		£34,897	£156,869	£89,602		£281,368	

5. Summary of key costs against budget current year				
Ref	Cost Item	Budget	Actual Spend	Explanation
1	Capital project	£94,526	£(31,910)	Construction works have not started. Some Project Director costs paid through other funding
2	Revenue project	£323,029	£313,278	Some issues with sourcing technical support – need to implement Health Innovation Fund.
	<b>Total</b>	<b>£417,555</b>	<b>£281,368</b>	Actual spend to November 20

6. Project risks and issues					
ID	Description	Mitigation	RAG	Date	Owner
1	Inability to build the new facility within budget	Liaise with external funders, reduce size of building, seek alternative funding		29/06/2020	Chief Operating Officer & Secretary
2	Delays in the construction programme of the new joint facility	RIBA 3 started prior to RIBA 2 completion / multi-staged Building Warrant applications		29/06/2020	Chief Operating Officer & Secretary

## Innovative Assisted Living (Fit Home)

1. Management Summary					
Summary:	Overall Project Status	Progress against Plan	Financials	Benefits	Risk Register
This Report	A	A	R	A	A
Last Report	A	A	R	A	G
Main Reasons for Change		The technology elements remain without a project plan, the construction elements continue to be affected by budgetary pressures, planning delays, reliance on third parties.	Remain the same due to the well documented challenges regarding optimum sites, progress is being made however and we will soon be in a position to identify start dates for all sites.	Awaiting guidance on the requirements of the benefits realisation plan.	Impact of construction lead-in times and the absence of a project plan for tech.

Red	Significant issues with the project delivery	Amber	Negative effect on project delivery	Green	Project is performing to plan
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2. Executive Summary – for previous quarter
<p>Key update: Albyn Board Approval in June 2020 has enabled the CRD project to recommence.</p> <p>Key progress AHS Board has agreed to re-start its development programme following the easing of restrictions on construction sites and is continuing to monitor Covid 19 issues</p> <p>Project definition: We have been conducting a mid-project review to refresh and refine the project aims and objectives. The outcomes of this will be communicated to Highland Council when finalised.</p> <p>Construction: Albyn has now resumed development and is subject to Board and CRD Project Board/THC agreement, critical actions:</p> <p>Construction commenced:  <b>Dingwall (11):</b> Castle Park now mobilised completion April 2022  <b>Stratton Farm (8):</b> planning in place; acquisition terms being negotiated with Highland Council – completion anticipated Q1 2022</p> <p>Predevelopment sites:  <b>Nairn (10):</b> Planning appeal allowed December 2020; project team being mobilised to plan construction programme and finalise costs. Will include community communication programme.  <b>Lairg (4):</b> planning in place for total 8 bungalows – partnership being explored with site owner LDCI to spread costs and undertake site as a single project. Includes exploring all potential funding option.</p> <p>Both Nairn and Lairg projects have planning for development in place. It is likely that construction at Nairn will commence before Lairg. It will be at least 6 months before we are able to commence on site at Nairn. Albyn own the Nairn site; the acquisition of the site at Lairg is not yet in place.</p>

**Tongue (4):** Wildlands to report back on discussions with Highland Council and NHS

Decisions by the CRD Project board will soon be required regarding the optimum sites and this needs to be agreed within the scope of the budget with THC/CRD funders.

Technology and Commercialisation:

RGU PhD student continuing research. Priorities are enabling self-calibration of sensors through machine learning; testing out methods of refining the data gathered and enabling more granular insight; testing out the AI on new house layouts. (latest report attached).

Retro-fit plan for technology being developed with NHS and HC to create specific technology deliverables. Wider geographical area being considered but have yet to be finalised. These will include Thurso and Inverness. These will involve proof of concept pilots.

Three month trial of 5G to be piloted in Alness in one unit running 5G data gathering alongside the current sensing package. RGU and Glasgow University working with us. Independent evaluation of commercialisation potential and route being carried out.

Additional funding and partners need to be sourced to:-

- Develop effective interface;
- Develop full commercial capability;
- Enable full benefit realisation

3. Implementation Plan					
Ref	Milestone	Description	Original Date	New Date	Comment
1	Castle Park, Dingwall: Construction	Castle Park now mobilised completion April 2022 (11 units)	01/9/2020	01/04/22	
2	Lairg: planning permission	Community advised of costs which are challenging due to site conditions (4 Units)	01/11/20		Satisfied
3	Lairg: development programme	Site owner, LDIC, and AHS working to agree development programme for site as a partnership	1/4/2021		Range of funding routes to be explored: site enabling works expensive
4	Stratton (Inverness): submit planning	subject to planning and agreeing terms with Highland Council – completion July 2022 (8 units)	30/07/22		Planning consent granted
5	Stratton (Inverness): development	Acquisition negotiations recommenced with THC to acquire 8 units on completion.	Q1 2022		Construction has commenced: FIT homes are portion of a larger development site
6	Nairn Planning	Planning granted in appeal: December 2020.	30/01/21		Satisfied
7	Nairn: construction programme	Project team being mobilised to set programme and finalise costs	1/4/21		Technically 2 conditions to be met before construction can commence. Site commencement prior to July 2021.



## Quarter 3 December 2020



8	Tongue: strategic agreement on way forward	Wildland to agree strategic way forward with THC and NHS	2022	tba	
9	Retro-Fit Testing: complete pilot	Evaluation of technical and social success of pilot.	-	15/06/2020	Complete.
10	RGU PhD: refine research focus	Agree refined focus for remaining 2 year of PhD	30/09/2020	30/10/2020	Complete.
11	Independent review of technology & commercialisation potential	Independent options appraisal for commercialisation potential and route to be commissioned. Interviews for consultants happening October 2020.	30/09/2020	30/12/2020	Interviews complete. Report to AHS Board due in February. CRD Project Board meeting to be scheduled thereafter.
12	Create a technology project plan	Create a technology project plan with key objectives, milestones and supporting budgets that links to the benefits realisation plan	July 2019	Jan 2021	Head of Innovation, AHS and Director of Innovation and Research, NHS producing a draft plan.

4. Financial Profile for Life of Programme (CRD Funding only)						Funding: £ 3,000,000
2020/21	2019/20 Q4	Q 1	Q 2	Q 3	Q 4	Total
Forecast Spend @ Apr-20	£415,816	£44,438	£58,4393	£62,6295	£563,167	£1,818,293
Revised Forecast Spend (In-Year)		£45,085	£11,892	£204,608	£303,601	£565,186
Actual Spend	<b>£448,762</b>	<b>£45,085</b>	<b>£11,892</b>	<b>£204,608</b>		<b>£261,585</b>

5. Summary of key costs against budget current year				
Ref	Cost Item	Budget	Actual Spend	Explanation
1	Build Programme	£439,744	£194,444	Castlepark Dingwall on site
2	Technology Development	£30,879	£27,488	Opportunity to accelerate sensor acquisition in Q4
3	Project Management	£8,805	£4,021	Project assurance and management support. Increased spend expected Q4.
4	Staff Costs	£85,758	£35,632	NHS & other project staff costs.
	<b>Total</b>	<b>£565,186</b>	<b>£261,585</b>	

6. Project risks and Issues					
ID	Description:	Mitigation:	RAG	Date	Owner
R3	Annual Budget Spend - ability to purchase land and deliver project to profile	This has been directly impacted on by the pandemic and requires re-profiling subject to the flexibility within the CRD funding and further Albyn Board decisions		17/09/20	Finance Lead
R17	Planning Permission delays/refusals - ability to build preferred design on identified sites within projected timescales.	Early assessment of sites to identify any issues that may lead to planning delay. Early conversations with THC planners and key local stakeholders to ensure process is as smooth as possible.		17/09/20	Construction Lead

**Digital**

1. Management Summary (Please see RAG status definitions at the end of the document)					
Summary:	Overall Project Status	Progress against Plan	Financials	Benefits	Risk Register
This Report	R	R	R	R	R
Last Report	R	R	R	R	R
Main Reasons for Change					

<b>Red</b>	Significant issues with the project delivery	<b>Amber</b>	Negative effect on project delivery	<b>Green</b>	Project is performing to plan
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2. Executive Summary – for previous quarter
<p>The R100 North Lot contract was signed in December 2020. The contract is being amended to bring the intervention area up to date. Once this has been completed and BT Openreach has determined its “core” coverage, then the additional coverage from the City-Region Deal funds can be assessed. This is not expected to be achievable until around March 2021.</p>

3. Implementation Plan					
Ref	Milestone	Description	Original Date	New Date	Comment
1	Confirm a City-Region Deal Intervention Area at a premises level.	Determine premises not being served by R100 rollout.	Q4 2020/2021		Extent of R100 coverage expected to be known in late Q4 2020/2021
2	Reach mutually acceptable plan for use of funding	Decide the proportion of the funding going into R100	30/09/2020	31/03/2021	Working with UK and Scottish City Deal Teams and R100 Project Team to agree a mutually acceptable way forward.

# Quarter 3 December 2020



**4. Financial Profile for Life of Programme (CRD Funding only)** **Funding: £ 20,000.000**

2020/21	2019/20 Q4	Q 1	Q 2	Q 3	Q 4	Total
Forecast Spend @ Apr-20		£0	£0	£0	£0	£0
Revised Forecast Spend (In-Year)						
Actual Spend	£0	£0	£0	£0	£0	£0

**5. Summary of key costs against budget current year**

Ref	Cost Item	Budget	Actual Spend	Explanation
	<b>Total</b>			

**6. Project risks and Issues**

ID	Description:	Mitigation:	RAG	Date	Owner
1	Funding cannot be spent cost effectively under the R100 contract	Working closely with R100 Project Team and SG Digital Policy Team to agree a way for funding to be effectively spent through the R100 contract.		12/01/2021	Stuart Robertson

## Air Access

1. Management Summary					
Summary:	Overall Project Status	Progress against Plan	Financials	Benefits	Risk Register
This Report	G	G	G	G	G
Last Report	G	G	G	G	G
Main Reasons for Change					

<b>Red</b>	<i>Significant issues with the project delivery</i>	<b>Amber</b>	<i>Negative effect on project delivery</i>	<b>Green</b>	<i>Project is performing to plan</i>
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2. Executive Summary – for previous quarter
<p>The Highland Air Access Group has set out the following as the areas it will seek to work on and promote:</p> <ol style="list-style-type: none"> <li>1. Connectivity of the region should recognise not just direct destination links with the region but is also a capacity, frequency and onward connections at destination airports;</li> <li>2. Reduce entry barriers for new routes;</li> <li>3. Partner with airlines and airports on route development;</li> <li>4. Ensure State Aid rules are fully understood;</li> <li>5. Ensure aviation facilities are fit to purpose;</li> <li>6. Work to ensure that any connectivity benefit is spread more widely across the region;</li> <li>7. Work to ensure that the direct, indirect, induced and catalytic benefits of aviation are optimised;</li> <li>8. Support Net Zero from Aviation Highlands and Islands by 2040 Ambition</li> </ol>

3. Implementation Plan					
Ref	Milestone	Description	Original Date	New Date	Comment
5	Short Term Priority	Post Covid-19 Impacts			<p>It is difficult to determine the likely short term let alone long-term impacts of Covid-19 on intra-Scotland air services. With all forms of travel being impacted by varying degrees of restriction for the foreseeable future, public sector support is likely to be required to maintain even a basic level of service on many routes.</p> <p>It is already clear that the longer-term impacts on all operators will be significant and will require all levels of government and the industry to work together to identify how air services can best be sustained and supported in the future. This uncertainty should provide an opportunity for all stakeholders to collaborate to shape the domestic air network and how it is provided so that air services can best support the economies of each region within the Highlands and Islands</p>

## Quarter 3 December 2020



					<p>A short-term focus is securing a sustainable air service for Wick and the CRD could offer a vehicle to develop and implement plans for a PSO to Aberdeen and Edinburgh following the failure of the two commercial routes. If there is appetite in looking at CRD budgets to be redirected to this or new funds sourced to secure the reinstatement of air connectivity to Caithness post pandemic this could be looked at by partners.</p>
6	Short / Medium Term Activity	Net Zero Aviation Region			<p>Positive steps are being implemented on the path to the Highlands and Islands becoming a net zero carbon aviation system by 2045. These include involvement by HITRANS, HIE, HIAL and UHI in the Innovate UK Future Flight Challenge programme.</p> <p>HITRANS are working with HIAL on three Horizon 2020 Green Airport project opportunities that offer the potential to secure budget for Inverness as a Follower Airport on the implementation of low carbon / net zero airport developments. The programme would see HITRANS and HIAL receive 100% funding for any costs incurred in participation and project development.</p>

4. Financial Profile for Life of Programme (CRD Funding only)							Funding: £ N/A
2020/21	2019/20 Q4	Q 1	Q 2	Q 3	Q 4	Total	
Forecast Spend @ Apr-20							
Revised Forecast Spend (In-Year)							
Actual Spend							

5. Summary of key costs against budget current year				
Ref	Cost Item	Budget	Actual Spend	Explanation
	Total			

**Transport Infrastructure - Longman Junction (Transport Scotland)**

**A9/A96 Inshes to Smithton Scheme**

1. Management Summary					
Summary:	Overall Project Status	Progress against Plan	Financials	Benefits	Risk Register
This Report	G				
Last Report	G				
Main Reasons for Change					

<b>Red</b>	<i>Significant issues with the project delivery</i>	<b>Amber</b>	<i>Negative effect on project delivery</i>	<b>Green</b>	<i>Project is performing to plan</i>
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2. Executive Summary – for previous quarter
<p>As part of the Scottish Government’s commitment within the Inverness and Highland City-Region Deal, Transport Scotland is taking forward plans for a single carriageway road connecting Inshes and Smithton.</p> <p>Following completion of route option assessment work (Design Manual for Roads and Bridges (DMRB) Stage 2 assessment) and further design development and assessment of the preferred option (DMRB Stage 3 Assessment) for the A9/A96 Inshes to Smithton Scheme, Transport Scotland published draft Orders and an Environmental Impact Assessment Report (EIAR) for the scheme on 13 September 2019.</p> <p>The scheme will provide a new link road connecting between Culloden Road and Smithton Junction and will include new junctions at Ashton Farm and Cradlehall, a new link to the Inverness Retail and Business Park and a bridge over the Highland Main Line railway. Additional lanes will also be added across the A9 at Culloden Road, providing two lanes of traffic in either direction, along with an additional lane on the A9 southbound to improve the operation of the Trunk Road. The scheme will provide over 7Km of enhanced facilities for cyclists and pedestrians, including a 3 metre shared surface on both sides of the carriageway and a dedicated cycleway and separate footway linking to Inverness Retail and Business Park. The cycling and pedestrian facilities will also connect into the existing core path, local path and national cycle networks.</p> <p>As part of Transport Scotland’s on-going engagement programme, public exhibitions were held in Raigmore and Smithton on 25 and 26 September respectively to give members of the public and other stakeholders an opportunity to see further details of the proposals, the EIAR and draft Orders. The material presented at the Public Exhibitions, copies of the draft Orders and the EIAR are available from Transport Scotland’s website at the link below.</p> <p><a href="https://www.transport.gov.scot/projects/a9a96-inshes-to-smithton">https://www.transport.gov.scot/projects/a9a96-inshes-to-smithton</a></p> <p>The formal consultation period is now concluded and Transport Scotland is currently considering the representations made and is working to resolve objections where possible. Progress on delivery of the scheme will depend on the whether a Public Local Inquiry will be required to consider objections made and not withdrawn. Construction of the scheme itself can only commence if the scheme is approved under the relevant statutory procedures and thereafter a timetable for its progress can be set.</p>

## Quarter 3 December 2020



The A9/A96 Inshes to Smithton Link Road scheme is located in the vicinity of the East Inverness development area, in which The Highland Council has significant interest. The scheme is also dependent on both Inshes Junction Improvements – Phase 2 which is being progressed by The Highland Council, and also the A96 Dualling Inverness to Nairn (including Nairn Bypass) scheme which is being progressed separately by Transport Scotland. Transport Scotland has been working closely with the Highland Council throughout the development of the scheme and will continue to do so.

Following publication of draft Orders in September 2019, Transport Scotland requires to complete the statutory processes in order to progress with the scheme. Delivery of the scheme itself can only commence if the scheme is approved under the relevant statutory processes and thereafter a timetable for its progress can be set in line with available budgets.

The Cost Estimate for the scheme remains within the range of £25 - £35 Million (at 2015 Quarter 2 prices) as reported in the DMRB Stage 3 Report.”

3. Implementation Plan				
Milestone	Description	Original Date	New Date	Comment
	Publication of A9/A96 Connections Study Report	March 2016		
	Completion of Design Manual for Roads and Bridges (DMRB) Stage 2 Route Options Assessment and identification of preferred route option	October 2017		
	Public design update for scheme and identification of preferred scheme variant	May 2018		
	Completion of DMRB Stage 3 Assessment, publication of draft Orders and Environmental Impact Assessment Report	September 2019		
	Made Orders	Timescales dependent on the level and nature of formal representation received in response to the published draft Orders and whether a Public Local Inquiry will be required to consider objections made and not withdrawn.		

4. Financial Profile for Life of Programme (CRD Funding only)							Funding: £109,000,000
2020/21	2019/20 Q4	Q 1	Q 2	Q 3	Q 4	Total	
Forecast Spend @ Apr-20							
Revised Forecast Spend (In-Year)							
Actual Spend							

5. Summary of key costs against budget current year				
Ref	Cost Item	Budget	Actual Spend	Explanation



**Quarter 3 December 2020**



		<b>Total</b>		

**A9/A82 Longman Junction Improvement**

1. Management Summary					
Summary:	Overall Project Status	Progress against Plan	Financials	Benefits	Risk Register
This Report	G				
Last Report	G				
Main Reasons for Change					

**2. Executive Summary – for previous quarter**

Building on the work being progressed on the A9/A96 Inshes to Smithton Link Road, design work on the grade separation of the A9/A82 Longman Roundabout is progressing well. Transport Scotland appointed a consultant in August 2017 to look at options for improving this well-known traffic bottleneck in Inverness, and the route option assessment work as part of the DMRB Stage 2 assessment has now been concluded. The preferred option was announced by Transport Scotland at Public Exhibitions held in Inverness on 25 and 26 June 2019. The preferred option (Option 1) comprises a grade separated junction with the A9 passing over the A82. The junction slip roads will form a diamond layout ending at an enlarged roundabout with connections to the A82 and Stadium Road. Non-Motorised User (NMU) route improvements are also incorporated into the design and will be subject to further refinement throughout the detailed development and assessment of the preferred option (DMRB Stage 3 assessment). The material presented at the exhibitions can be found at the following link:

<https://www.transport.gov.scot/publication/exhibition-materials-june-2019-a9a82-longman-junction-improvement-scheme/>

As with every major trunk road project, Transport Scotland has carried out a rigorous assessment process to establish the preferred option for the Longman junction improvement. The three stage assessment process, based on standards and best practice set by the DMRB, considers environment, engineering, traffic and economics criteria and the assessment process benefits from engagement with key stakeholders, local communities, landowners, and other interested parties throughout.

The preferred option is now being developed and assessed in detail, leading to publication of draft Orders for formal comment. Building on the engagement undertaken at the Public Exhibitions in June 2019 and throughout the scheme development so far, Transport Scotland and their design consultants will continue to engage with key stakeholders, including The Highland Council, throughout this process. It is anticipated that this stage of the assessment will conclude with the publication of draft Orders in the coming months for formal comment.

Progress thereafter on the delivery of the scheme will depend on the level and nature of formal representation received in response to the published draft Orders and whether a Public Local Inquiry will be required to consider objections made and not withdrawn. Construction of the scheme itself can only commence if the scheme is approved under the relevant statutory procedures and thereafter a programme for its delivery can be set.

As we have been doing on the A9/A96 Inshes to Smithton Link Road, Transport Scotland will continue to work in collaboration with The Highland Council during the development and assessment of the scheme. Transport Scotland will also continue discussions with The Highland Council regarding potential development around the Longman area which may come forward in advance of major junction improvements.

The preferred option is currently being developed and assessed in detail, leading to publication of draft Orders for formal comment in the coming months. Progress thereafter on the delivery of the scheme will depend on the level and nature of formal representation received in response to the published draft Orders and whether a Public Local Inquiry will be required to consider objections made and not withdrawn. Construction of the scheme itself can only commence if the scheme is approved under the relevant statutory procedures and thereafter a programme for its delivery can be set.

The cost estimate for the scheme is currently anticipated to be in the range of £85 million to £95 million at 2018 prices.

3. Implementation Plan					
Ref	Milestone	Description	Original Date	New Date	Comment
		Appointment of scheme consultants	August 2017		
		Options Public Exhibition	May 2018		
		Completion of Design Manual for Roads and Bridges (DMRB) Stage 2 Route Options Assessment and announcement of preferred option	June 2019		
		Publication of draft Road orders	Timescales dependent on the level and nature of formal representation received in response to the published draft Orders and whether a Public Local Inquiry will be required to consider objections made and not withdrawn.		

4. Financial Profile for Life of Programme (CRD Funding only)							Funding: £109,000,000
2020/21	2019/20 Q4	Q 1	Q 2	Q 3	Q 4	Total	
Forecast Spend @ Apr-20							
Revised Forecast Spend (In-Year)							
Actual Spend							

5. Summary of key costs against budget current year				
Ref	Cost Item	Budget	Actual Spend	Explanation
	<b>Total</b>			

**Transport Infrastructure - West Link (Highland Council)**

1. Management Summary					
Summary:	Overall Project Status	Progress against Plan	Financials	Benefits	Risk Register
This Report	G	G	G	G	G
Last Report	G	G			
Main Reasons for Change					

<b>Red</b>	<i>Significant issues with the project delivery</i>	<b>Amber</b>	<i>Negative effect on project delivery</i>	<b>Green</b>	<i>Project is performing to plan</i>
------------	---	--------------	--	--------------	--------------------------------------

2. Executive Summary – for previous quarter
<p>The structural elements of the new bridge arrived on-site and fabrication will be complete in the next few weeks. Commissioning will start as soon as fabrication is complete. This will be followed by the opening and closing bridge trials which to accomplish will require road closures.                      Civils and road works are complete with only minor work still required on A82. No road closure will be necessary to complete these.</p> <p>Landscaped works commenced in December 2020 and the streetlighting is completed on A82. The Toucan pedestrian crossing is fully installed and operational on General Booth Road. A second Toucan crossing at Tomnachurich bridge is installed and expected to be operational by the end of January 2021 with the third one at the new Torvean Bridge is to be installed in January to come into operation at the end of March 2021.</p> <p>Construction of final phase underway. Original planned completed was December 2020, but due to the pandemic and the 3 months cessation of construction projects this has been delayed to March-2021.                      Note on completion in March-2021, THC will be required to maintain those sections to be adopted by the Trunk Road Authority for an extended period – these periods being 24 months for road infrastructure and 60 months for landscape areas.</p>

## Quarter 3 December 2020



3. Implementation Plan					
Ref	Milestone	Description	Original Date	New Date	Comment
1	Bridge Construction	Structural elements of bridge arrive on-site	30/10/20	9/11/20	Complete
2	Opening of realigned A82, west link to roundabout	Completion of underpass installation and building of road to align to roundabout	30/11/20	17/12/20	Complete
3	Completion of Construction works		31/12/20	31/03/21	Works progressing well
4	Recommissioning of existing swing bridge (Tomnahurich Bridge)	New control system to be installed to allow operation from new control building	25/1/21		
5	Commissioning of new swing bridge (Torvean Bridge)	New swing bridge to be able to work in tandem with existing bridge to maintain traffic flow while boats transit canal	31/03/21		
6	Completion of landscaping maintenance	Ongoing landscaping maintenance until adoption by Transport Scotland	31/03/26		

4. Financial Profile for Life of Programme (CRD Funding only)						UK /SG Funding: £n/a
2020/21	2019/20 Q4	Q 1	Q 2	Q 3	Q 4	Total
Forecast Spend @ Apr-20	£3,000,000	£2,000,000	£2,000,000	£1,500,000	£300,000	£5,800,000
Revised Forecast Spend (In-Year)		£272,139	£1,534,388	£2,177,145	£1,369,781	£5,353,453
Actual Spend	£3,347,030	£272,139	£1,534,388	£2,177,145		£3,983,672

5. Summary of key costs against budget current year				
Ref	Cost Item	Budget	Actual Spend	Explanation
1	Scheme Delivery	£5,800,000	£3,983,672	
	<b>Total</b>	£5,800,000	£3,983,672	

**Transport Infrastructure – Inshes Junction (Highland Council)**

1. Management Summary					
Summary:	Overall Project Status	Progress against Plan	Financials	Benefits	Risk Register
This Report	G	G	A	G	G
Last Report	G	G			
Main Reasons for Change					

<b>Red</b>	Significant issues with the project delivery	<b>Amber</b>	Negative effect on project delivery	<b>Green</b>	Project is performing to plan
------------	--	--------------	-------------------------------------	--------------	-------------------------------

**6. Executive Summary – for previous quarter**

Since the commencement of the Inshes Junction project there has been a change in the National Transport Strategy. This strategy has a hierarchy of travel – to encourage active modes of transport and discourage travel by cars, in preference to more sustainable measures. This has resulted in a complete review of the project and the consideration of revised scheme objectives – that will be presented to the Inverness City and Area Committee that will then allow consultations to progress.

Note: Inshes 3 lanes over overbridge complete and committee approval gained to progress Beechwood access and tenders have been invited.

**7. Implementation Plan**

Ref	Milestone	Description	Original Date	New Date	Comment
1	City and Area Committee Report	To review the changing transport priorities and the potential impact on the scheme layout – with approval sought to consult on a variety of layouts with differing objectives and outcomes	19/11/20	31/3/ 21	This was deferred as competing pressures were prioritised at committee
2	Beechwood access	An essential element of the scheme to reduce access locations to improve traffic capacities.	30/10/20	17/12/20	Tenders invited construction programmed for Spring 2021
3	Consultation	Consultation to be carried out to determine views on differing layouts which achieve differing outcomes and objectives.	31/03/21		This was deferred due to the pandemic; Committee approval will be sought to progress the consultations through virtual means
4	Committee Approval of Preferred Option	Selection of preferred option and approval to promote necessary consents	31/10/21		
5	Obtain Construction Consents	Planning permission, traffic orders and compulsory purchase orders	31/01/23		Note timescales will be dictated by the representation period and strength of any related objections
6	Start of Construction		01/05/23		

## Quarter 3 December 2020



7	Completion of Construction		31/03/23		
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8. Financial Profile for Life of Programme (CRD Funding only)						UK/SG Funding: £n/a
2020/21	2019/20 Q4	Q 1	Q 2	Q 3	Q 4	Total
Forecast Spend @ Apr-20	£206,000	£51,000	£51,000	£51,000	£51,000	£410,000
Revised Forecast Spend (In-Year)					£20,000	£20,000
Actual Spend	<b>£44,000</b>	<b>£10,000</b>	<b>£10,000</b>	<b>£10,000</b>		<b>£30,000</b>

9. Summary of key costs against budget current year				
Ref	Cost Item	Budget	Actual Spend	Explanation
1	Scheme Delivery	£410,000	£30,000	
	<b>Total</b>	<b>£410,000</b>	<b>£30,000</b>	



# Inverness and Highland City-Region Deal

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# Cùmhnant Baile-Roinne Inbhir Nis agus na Gàidhealtachd

**Annual Report 2019/20**

**Aithisg Bhliadhnail 2019/20**



HM Government



Scottish Government  
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Follow this link to read the City-Region Deal Agreement:  
[www.highland.gov.uk/downloads/file/18274/city-region\\_deal\\_signatory\\_document](http://www.highland.gov.uk/downloads/file/18274/city-region_deal_signatory_document)

# 1 An introduction from the Leader of the Council Ro-ràdh bho Cheannard na Comhairle

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I welcome this annual report for The Inverness City and Region Deal for 2019 to 2020 and the excellent progress being made across such a diverse range of activities throughout the Highlands. The Northern Innovation Hub for example has delivered an extensive range of programmes supporting businesses and entrepreneurs in the Highlands. Such support paves the way for increased economic activity and opportunity that will lead to sustained prosperity. Similarly our Newton rooms, the UK's first Norwegian Style learning centres, aimed at encouraging young people's interest in STEM studies and careers have been very successful in Thurso and Fort William. A network of these will be developed for all children in the Highlands.

Other City Region Deal projects have made excellent though less visible progress in their delivery. Consultation, design and planning approvals can all take time however working with our partners many of these are now complete and projects moving. The Inverness Castle, Spirit Highland project is making excellent progress and will be a remarkable asset once complete. The affordable housing projects have also been flagships and are influencing other similar technologically enabled builds throughout Highland.

As the Covid pandemic emerged at the start of 2020 its impact on the City Region Deal programmes became apparent. However all partners have worked very hard to continue the projects by adapting to the constraints and seeking new ways of delivering. Through the innovation and resilience of all those working on the projects I am sure that great progress will continue to be made throughout these challenging times.



Margaret Davidson  
Leader of The Highland Council

# 2 City-Region Deal Overview

## Àrd-shealladh dhen Chùmhnant Bhaile-Roinne

We are now into year four of the ten-year City-Region Deal (CRD). Excellent progress is being made across most projects as they aim to capitalise on the substantial opportunities and investments, including **£135m** invested from the Scottish Government (SG) and **£53.1m** from the UK Government.

The core overarching aims remain to:

- help to rebalance the population through the aim of attracting and/or retaining an additional 1,500 young people in the 18-29 age group;
- create 1,125 direct jobs with a further 2,200 jobs in construction;
- help to upskill the labour market to move to a high wage high skill economy adding an extra £100m pa to the regional economy;
- deliver 6,000 homes over a 20-year period, of which 1,600 will be affordable; and
- deliver private sector investment of £800m over a 20-year period in the region.

The Inverness and Highland City-Region Deal, maintains a key focus on inclusive growth alongside the main themes of the deal.

### The Partnership

The Inverness and Highland City-Region Deal is built up of 6 partners who co-ordinate and drive the component projects. These organisations are The Highland Council, Highlands and Islands Enterprise, the University of the Highlands and Islands, Transport Scotland, Albyn Housing Association Limited and HITRANS. The mission statements of the partners and how their work relates to the City-Region Deal are summarised below:

#### The Highland Council

Ambitious Sustainable Connected

The Council's work aligns with the City-Region Deal, through:

- driving economic growth and ensuring our infrastructure meets the needs of expanding businesses and population.
- supporting children to learn and thrive by delivering a whole system approach to education and integrated children's services.
- Promoting fairness and welcoming diversity.
- Making the Highlands a stronger and more resilient region.
- protecting and enhancing the Highland's influence and reputation nationally and internationally.



#### High Life Highland

The transformation of Inverness Castle is a Highland Council project, managed by High Life Highland (HLH) on behalf of the Council. HLH is a



charity registered in Scotland, formed on the 1<sup>st</sup> October 2011 to develop and promote opportunities in culture, learning, sport, leisure, health and wellbeing across nine services throughout the whole of the Highlands, for both residents and visitors.

#### Highlands and Islands Enterprise (HIE)

The aspirations of HIE are for the Highlands and Islands to be a highly successful, inclusive and prosperous region in which increasing numbers of people choose to live, work, study and invest.



#### University of the Highlands and Islands

The University of the Highlands and Islands is an integrated university, encompassing both



further and higher education. Its reputation is built on an innovative approach to learning and distinctive research and curriculum, all enriched by the people, natural environment, economy, culture and heritage of the Highlands and Islands and its communities.

#### Transport Scotland

Transport Scotland is an Agency of the Scottish Government and accountable to Ministers. The Purpose of the Scottish Government is to focus on creating a more successful country with opportunities for all of Scotland to flourish through increased wellbeing, and sustainable and inclusive economic growth. The vision set out in the National Transport Strategy supports this in that we will have a sustainable, inclusive, safe and accessible transport system, helping deliver a healthier, fairer and more prosperous Scotland for communities, business and visitors.



#### Albyn Housing Society Limited

Exists to enable everyone in the Highlands to be well housed within sustainable communities. To this end Albyn Housing Society Limited will build, manage and maintain a quality housing stock in the Highlands, and to support communities to thrive. Through innovation meet the needs of the community and challenges of the future.



#### HI-TRANS

Working hard with Councils, the Scottish Government, Transport Scotland, HIE, transport operators and other stakeholders to improve transport services and infrastructure in the north of Scotland and on routes to the Highlands and Islands.



In addition to the project leading partners, there are a number of significant contributing partners and organisations who support the Deal via the provision of expertise and access to networks, providing the role of the critical friend and selling the benefits of the Deal and the region. These include but are not limited to:

- Scottish Council for Development and Industry (SCDI)
- National Health Service Highland
- The Highland Economic Forum
- The Community Planning Partnership.

## Investment Breakdown

It is likely that the investment and funding will increase as other public and private funding sources are attracted. The table below contains information on the funding of the projects. The table has been updated to reflect the agreed virement with the UK Government of £1.362m transferred to assist with the funding of developing Inverness Castle.

Some projects have more spend than funding – these further contributions should be identified in partner funding table below.

Project	Total £	UKGov £'000	ScotGov £'000	THC £'000	UHI £'000	HIE £'000	Albyn £'000
Deal Development Funding	100,000	100	0	0	0	0	0
Life Sciences Innovation Centre	9,000,000	9,000	0	0	0	0	0
Northern Innovation Hub**	16,000,000	11,000	0	0	0	5,000	0
Joint Digital Programme	30,000,000	20,000	0	10,000	0	0	0
Land Remediation	10,000,000	10,000	0	0	0	0	0
City Centre Wi-Fi, & Tower*	1,998,000	1,638	0	300	0	60	0
Science Skills Academy	3,060,000	0	3,000	20	20	20	0
Innovative Assisted living	5,224,000	0	3,000	0	0	0	2,224
Inverness Castle */**	31,362,000	1,362	15,000	15,000	0	0	0
Affordable housing	5,000,000	0	5,000	0	0	0	0
A9A96 Inshes to Smithton & A9/A82 Longman Junction	109,000,000	0	109,000	0	0	0	0
West Link and Inshes	64,356,000	0	0	64,356	0	0	0
Prudential Borrowing (Hsg)	30,000,000	0	0	30,000	0	0	0
<b>Total</b>	<b>£315,100,000</b>	<b>£53,100</b>	<b>£135,000</b>	<b>£119,676</b>	<b>£20</b>	<b>£5,080</b>	<b>£2,224</b>

\*HC Includes Common Good Funding

\*\*Includes European Funding

## Themes and Projects

### Inclusive Economic Growth

The Inverness and Highland City-Region Deal is about trying to achieve inclusive economic growth. In addition to the component projects, there are themes around which the outputs of projects can coalesce:

#### Connected

Being on the western periphery of Europe, with a massive geographic area, creates connectivity challenges in terms of physical and also digital connectivity. Overcoming these challenges will go a long way to enabling the growth of the Highlands both in terms of economy and, equally important, as a place.

#### Young People

There is a need to rebalance the population of the Highlands to attract and retain more young people to live, work and study in the region. To do this we need to ensure that young people see the Highlands as a connected place, a place where they can make a living and thrive, and a place that is desirable to others.

#### Innovation

Whilst unemployment is low in the Highlands, wages are also low. Innovation, in its many forms, is key to creating different opportunities in the Highlands. At the heart of innovation are the life science projects, the Innovative Assisted Living (FIT homes) project and the Northern Innovation hub. Devising services, procedures and products that deal with our particular geographic challenges could place us front and centre.

#### Skills

From developing the entrepreneurial skills needed to grow the economy, to supporting people into higher skilled posts that will be created; from enthusing future STEM practitioners, to supporting them to higher attainment levels, skills development is of central importance to the Inverness and Highland City-Region Deal.

#### Digital Capability

Given the region's geography, digital connectivity and capability can act to enhance the region's growth capacity. It can enable collaboration beyond the region, and make the region more attractive to businesses and young people by being more connected.

#### Physical Renewal

In addition to innovation and human capital, there is a need to review the physical infrastructure, both for transport purposes but also to act as places to do business, such as Inverness Castle, The Centre for Health Innovation on Inverness Campus and the land reclamation project at the Longman.

#### Tourism

Not surprisingly for a region of such outstanding natural beauty, and one so rich in heritage (natural and otherwise), tourism is included as a theme on its own. Any economy must build on its assets and creating more wealth and high value jobs is a key challenge for the tourism sector.

#### Life Sciences

There has always been a strong element of life science projects within the Inverness and Highland City-Region Deal, the Northern Innovation Hub, the FIT Home and the UHI Centre for Health Innovation. What is particularly pleasing is the level of collaboration between these projects.

#### Place Making

A Growing theme within the Inverness and Highland City-Region Deal is the importance of place. The City-Region Deal, enables physical renewal, makes the Highlands a more connected place, attracts the right kind of human capital and fosters innovation. New affordable homes are being created throughout the Highlands.

# Themes supported by the City-Region Deal Projects

**Science Skills Academy**

**Outcome:**  
More young people taking STEM subjects and higher levels of attainment.

**Themes:**

- Skills
- Young People
- Innovation
- Digital
- Life Science
- Place Making

**Longman Land Remediation**

**Outcome:**  
To create land that can be used to support the economy.

**Themes:**

- Physical Renewal
- Innovation
- Place Making

**Inverness Castle**

**Outcome:**  
Creating a world class visitor experience and attracting more visitors to stay longer and explore the Highlands.

**Themes:**

- Tourism
- Digital
- Skills
- Physical Renewal
- Place Making

**Northern Innovation Hub**

**Outcome:**  
To support and grow businesses to be more productive, modernise and ultimately provide more high value jobs in the Highlands.

**Themes:**

- Innovation
- Skills
- Digital Capability
- Young People
- Tourism
- Life Sciences

**Affordable Housing**

**Outcome:**  
Enabling people and especially young people to live and work in the right places for them and the economy.

**Themes:**

- Young People
- Physical Renewal
- Inclusive Growth
- Place Making

**Digital**

**Outcome:**  
To provide the connectivity and capacity required to enable the digitisation of the Highlands.

**Themes:**

- Innovation
- Skills
- Digital Capability
- Young People
- Life Sciences

**Innovative Assisted Living (Fit Home)**

**Outcome:**  
Enabling vulnerable people to live in the community longer and safer and learning lessons of national importance from their experience.

**Themes:**

- Physical Renewal
- Innovation
- Digital Capability
- Life Sciences

**A9/A82 Longman Junction Improvement  
A9/A96 Inshes to Smithton, West Link and Inshes**

**Outcome:**  
To reduce journey times, connect the Highlands and deliver development land.

**Themes:**

- Physical Renewal
- Tourism
- Connected

**Life Sciences Innovation Centre**

**Outcome:**  
New ways to support patients and in particular those in remote communities. Creating services, products and companies to grow the economy.

**Themes:**

- Innovation
- Digital Capability
- Skills
- Life Sciences

**Skills and Employability**

**Outcome:**  
To ensure those who are currently furthest away from employment are not left further behind and indeed are encouraged into works and given the skills to succeed.

**Themes:**

- Skills
- Young People
- Innovation

**Air Access**

**Outcome:**  
To ensure the Highlands is as connected as possible in terms of air travel.

**Themes:**

- Tourism
- Connected



# 3 Geographical Overview

## Àrd-shealladh Cruinn-eòlasach

The Highland Council serves a third of the land area of Scotland, including the most remote and sparsely populated parts of the UK mainland, and has the 7th highest population of the 32 authorities in Scotland. The total land area, including all islands, at low water, is 26,484 square kilometers. It is 10 times larger than Luxembourg, 20% larger than Wales, and nearly the size of Belgium.

The length of coastline, including islands, at low water is 4,905 kilometers, 21% of the Scottish total and, excluding islands, is 1,900 kilometers (49 per cent of the Scottish total).

The Highlands have seen significant population growth over the last 30 years. They have benefitted from the creation of the University of the Highlands and Islands, together with major investments in digital infrastructure and transport. However, the Highlands also faces challenges, particularly the out-migration of young people

due to a lack of higher education and employment opportunities, low productivity and a low wage economy.

Results from the 2011 census show that the population of the Highlands on census day was 232,132, increasing to 235,180 in mid-2017. Since 1996, the population of the Highlands has increased by 12.5%. This is the 7<sup>th</sup> highest percentage change out of the 32 council areas in Scotland. Over the same period, Scotland's population rose by 6.1%.

Given the nature of the geography of The Highland Council area, ensuring the dispersal of projects throughout the Highlands has been an important factor. While there are a higher number of projects within the Inverness area, this is as should be expected given the role of Inverness as the economic engine and service hub for the Highlands. However the map below, shows a wide dispersion of the projects throughout The Highland Council area.

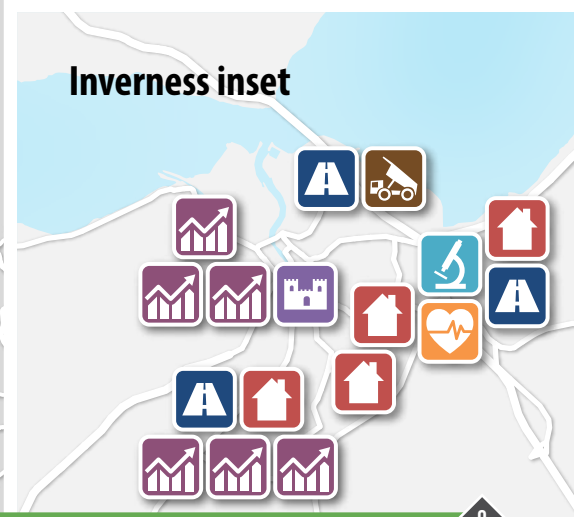
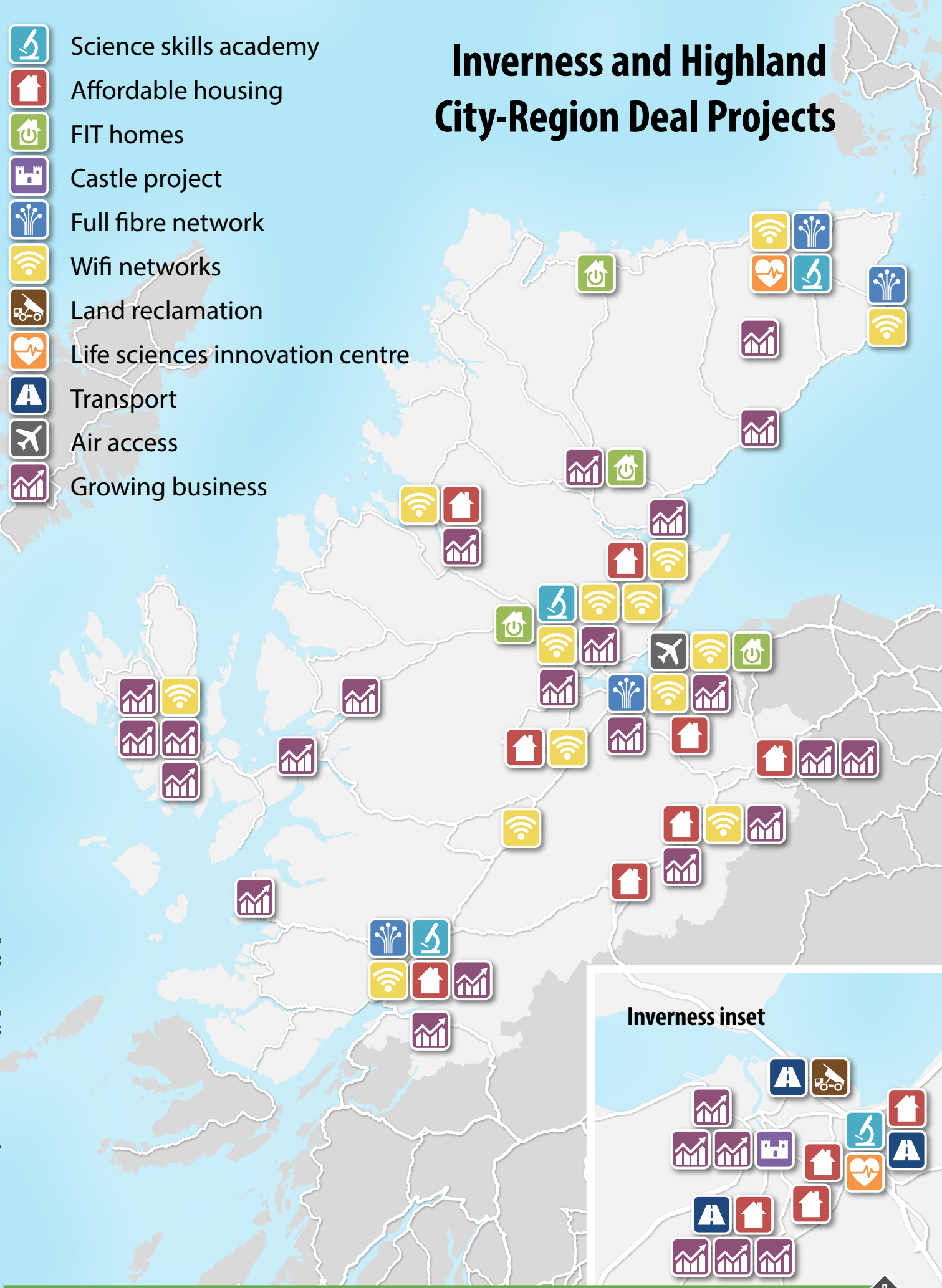


Photo: Science Skills Academy © Alison White HIE

# Inverness and Highland City-Region Deal Projects

-  Science skills academy
-  Affordable housing
-  FIT homes
-  Castle project
-  Full fibre network
-  Wifi networks
-  Land reclamation
-  Life sciences innovation centre
-  Transport
-  Air access
-  Growing business

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# 4 Financial Statement

## Aithris Ionmhasail

The table below provides a view of the spend for 19/20 and Column B shows the cumulative position since the start of the City-Region Deal. Note the £1,362,000 from the UK Government for Bridge Street and the Museum and Gallery has been included in the Castle Project grant.

In terms of spend against the original profile (September 2016), spend is behind what was suggested. A revised profile for the Deal based on a greater maturity of project development was provided, this was predominantly for two reasons: this was an early date to set a profile and was agreed prior to all business cases being signed off; in addition to this the original profile included significant

figures for the Digital Project where, to date, no spend has been possible.

Work continues with Scottish Government colleagues to manage the flow of money to the projects and ensure financial planning is aided by effective and transparent information. Project Managers are responsible for managing and reporting on project budget, spend forecasting and quarterly reporting to Scottish and UK Governments. The Programme Management Office and Senior Responsibility Officer will review with The Highland Council's Finance Officer, to track and resolve any significant deviation from plan.

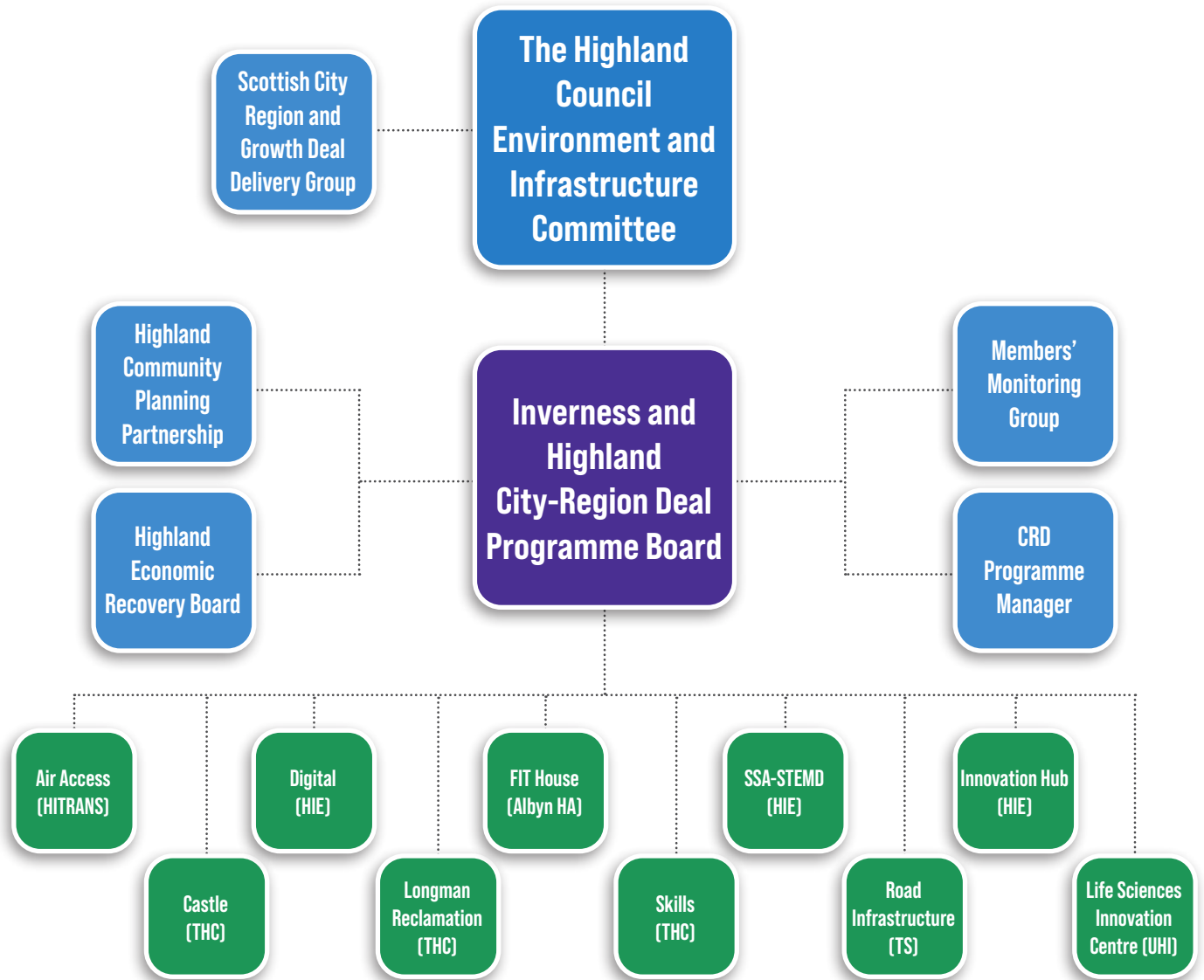
### Inverness and Highland City-Region Deal 2019/20 Financial Summary

Project	A	B	C
	Spend in 2019/20	Spend to end of FY 2019/20	Total Government Funding
	£	£	£
Deal Development Funding	0	174,762	100,000
Life Sciences Innovation Centre	919,698	1,570,784	9,000,000
Northern Innovation Hub	994,577	1,742,929	11,000,000
Joint Digital Programme	0	0	20,000,000
Land Remediation	19,184	221,996	10,000,000
Wifi and Tower	183,930	**1,942,006	1,538,000
Science Skills Academy	678,360	951,792	3,000,000
Innovative Assisted Living (Fit Homes)	448,762	729,897	3,000,000
Inverness Castle	759,078	4,503,795	16,362,000
Affordable Housing	552,000	1,236,160	5,000,000
A9A96 Inshes to Smithton & A9/A82 Longman Junction	3,234,833	9,562,314	109,000,000
<b>Total</b>	<b>7,790,422</b>	<b>22,636,435</b>	<b>188,100,000</b>

\*\* total includes match funding

# 5 Governance and Accountability

## Riaghlachas agus Cunntachalachd



The Highland Council is the accountable body for the Inverness and Highland City-Region Deal; providing effective management arrangements for the Deal, and assurance to both Governments that there is openness and transparency in governance, decision making and project delivery. A diagram of governance arrangements is above.

Central to the governance arrangements is a Programme Board, to which the lead officer / organisation for each specific project reports. The Board is attended by the lead officers for each project, a representative from The Highland Council's Corporate Resource Service, a representative from the business community and representatives from the Scottish and UK Governments. The Board is chaired by The Highland Council's Executive Chief Officer Infrastructure and Environment.

Each project has a governing body / project board which the City-Region Deal Programme Manager has access to or sits on. The role of these boards is to scrutinise

progress, assist in the management of risks, issues and budget, and to encourage spend against profile. The Programme Manager provides a project assurance role for these boards. Each project within the City-Region Deal is required to have a project plan, a risk register and a benefits register, and to track spend against profile.

The Programme Manager and Executive Chief Officer Infrastructure and Environment present to the quarterly Members' Monitoring Group. This allows members to scrutinise progress and proposed changes to projects within the Programme.

Quarterly progress updates are provided to The Highland Council's Environment and Infrastructure Committee, as reported to the Scottish and UK Governments. The Annual Report for the Inverness and Highland City-Region Deal is presented to the The Highland Council, Scottish and UK Governments for approval.

# 6 Overview of Project Progress

## Àrd-shealladh de Phròiseactan agus Adhartas

The following sections, 7 to 18, give an overview of the component projects, highlighting key milestones and illustrations. To provide an overview of the programme the table below gives a view of progress for each of the component projects where UK or Scottish Government funding is provided.

For the purpose of this overview the projects are “RAG’d” dependent on the need of remedial action or a change of approach. Whilst this report is produced for 2019/20, in this section recent concerns and developments are included in determining the RAG status.

- R** **Red** - There are significant issues with project delivery.
- A** **Amber** - A problem has a negative effect on project delivery.
- G** **Green** - The project is performing to plan.
- C** **Blue** - Completed.

### Inverness Castle

The Inverness Castle project remains on programme and on budget, with Design Development Stage (RIBA Stage 3) now complete, with the exception of the planned public engagement around the landscape planning aspects of the project.

Last RAG **G** RAG **G**

### Castle Viewpoint

This project is now concluded.

Last RAG **G** RAG **C**

### Northern Innovation Hub

Budget has been revised and updated, taking into account underspend and slippage. SG has approved to realign some of this underspend towards the Food and Drink projects. A swift response plan to COVID-19 was actioned, and, where possible, NIH programmes have moved to online delivery, the transition to an almost fully digital programme has increased accessibility and ability to further expand geographic reach.

Last RAG **G** RAG **G**

### Life Sciences Innovation Centre

Affordability concerns based on original estimate pricing report are being remediated. Delays contributed by change of design team and building contractor. Research and innovation outputs are on target.

Last RAG **A** RAG **A**

### Digital

The contract was awarded to BT in December 2019. Unfortunately, an unsuccessful bidder has raised a legal challenge to the contract award.

The R100 North contract remains the preferred vehicle through which to use the digital connectivity funding. Further engagement to this end is taking place.

Last RAG **R** RAG **R**

### Wi-Fi

This project is now concluded.

Last RAG **G** RAG **C**

### Science Skills Academy STEM

For the past year the 2 Newton rooms have been fully operational with visits from 49 primary and secondary ASGs and home-educated groups from across Caithness, North Sutherland and Lochaber.

Dingwall Newton Room refurbishment works were halted due to COVID lockdown. Site works and Newton Room bookings will be reinstated as the COVID restrictions allow.

Last RAG **G** RAG **G**

### Innovative Assisted Living (Fit Home)

Planning issues in relation to the Nairn site were nearing resolution but have been stopped through planning refusal which we are now appealing. We have, however, identified and are developing 4 sites. Construction is expected to begin during 2020.

Last RAG **A** RAG **A**

### Affordable Housing

The total number of units approved to date is 255 new homes, with new Mid-Market Rent (MMR) opportunities within Dornoch, Fort William, and Ullapool. Further projects are planned at Blar Mor Fort William, Castle Street Inverness and Stratton Inverness.

The most significant risk to the project is identification of deliverable schemes given the shortage of economically deliverable sites in the Inverness area.

Last RAG **A** RAG **A**

### Longman Land Reclamation

Project is reliant on the Longman Junction project and close liaison with Transport Scotland to co-ordinate activities and share information in relation to the proposals will be required. Further discussions are on-going with SEPA to clarify landfill "safe" with regards to human health for the surrender. Although, in the terms of the overall CRD programme, the delays are manageable the general lack of progress has moved this project to amber.

Last RAG **G** RAG **A**

### Employability and Skills

The commencement of the No One Left Behind policy programme in April 2019 has introduced an ability locally to shape employability services. To realise full potential requires an inter-agency partnership response. The partner service re-design project proposal stalled with the onset of COVID-19. Work has re-commenced, linked to the Highland Economic Recovery Partnership skills and employability workstream.

Last RAG **A** RAG **A**

### A9/A82 Longman Junction Improvement and A9/A96 Inshes to Smithton (Transport Scotland)

The preferred option for the A9/A82 Longman Junction Improvement scheme was announced in June 2019. Work continues on the detailed development and assessment of the scheme with a view to publishing draft Orders in 2020.

Draft Orders were published for the A9/A96 Inshes to Smithton scheme in September 2019. Progress on the delivery of the scheme will depend on whether a Public Local Inquiry will be required to consider objections made and not withdrawn. Transport Scotland is currently considering all objections received and is working to resolve these where possible.

For both schemes, Transport Scotland continues to work closely with The Highland Council through regular working groups and officer engagement on a range of issues, with five Working Group meetings being held between TS and THC during the period.

Last RAG **G** RAG **G**

### Air Access

This project has largely been overtaken by events but maintains a watching brief. The opportunity has been taken however to use the formed group to look at development opportunities within air access.

Last RAG **G** RAG **G**

### West Link (The Highland Council)

West Link – West Link Stage 1 and the associated sports facilities – Canal parks and Golf Course are complete.

Works are underway on West Link Stage 2, and are programmed to be complete early in 2022.

Last RAG **G** RAG **G**

### Transport Infrastructure Inshes Junction (The Highland Council)

Inshes Junction – the consultation associated with options has been delayed by the COVID-19 Pandemic. It is essential to complete the consultation to enable the preferred solution to be determined by the Council – The programme to have submitted construction consents in 2020 now looks unlikely. The scheme will still be provided in line with the Council's capital provision for a start of construction in 2023.

Last RAG **G** RAG **G**

### The Covid-19 pandemic

Projects have been affected to varying but significant degrees by the COVID-19 pandemic. There are three broad areas of potential impact: delay to the project due to unavailability of resources including staff; increased costs due to, for example, Health and Safety lowering productivity; and a requirement to re-evaluate the model for delivery of the benefits given the new normal and potential changes in needs of the region. Project teams are working hard to evaluate these risks and design their mitigation. Regular updates on this work will be provided through the governance process including Scottish and UK government representatives.

# 7 Inverness Castle and Tower Viewpoint

## Caisteal Inbhir Nis agus Àite-seallaidh an Tùir

Lead Organisation  
High Life Highland

Funding  
Scot Gov £15,000,000  
UK Gov £2,400,000

### Inverness Castle Project

Inverness Castle is an iconic Category A listed building of national and international significance, situated in the centre of the Inverness, on Castle Hill above the banks of the River Ness. It has historically been used by the Scottish Courts and Tribunals Service (SCTS) and The Highland Council (THC) for court and office purposes. However, the SCTS moved from the Castle in April 2020, transferring to a new Justice Centre in Inverness. This has provided a real opportunity to create a significant tourism asset in Inverness at the Castle that would act as a focal point for the promotion of tourism across, and draw visitors to, the Highlands.

The North and South Towers of Inverness Castle will be redeveloped as Phase 1 of the Castle Hill masterplan. The new attraction will draw additional national and international tourists to the Highlands and provide a high-quality amenity for residents of the region. The Castle will promote the 'Spirit of the Highlands' in 100 stories and seek to encourage visitors to explore other areas of the Highlands and Islands.

The development of Inverness Castle is a Highland Council project, managed by High Life Highland (HLH) on behalf of the Council. THC leads the project as part of the Inverness and Highland City-Region Deal (CRD) and is one of fifteen projects funded through the Deal. HLH manages the project as part of its Service Delivery Contract with the Council. HLH is a charity registered in Scotland, a company limited by guarantee and wholly owned by THC. HLH is the leading organisation in Highland for developing and promoting opportunities in culture, learning, sport, leisure and health and wellbeing.

A Delivery Group, co-chaired by Fergus Ewing MSP, Cabinet Secretary for the Rural Economy and Tourism and Helen Carmichael, Provost of Inverness and Area, provides strategic guidance and advice to the project. The Delivery Group is supported by a Project Board, made up of representatives of key stakeholders and partners, with the Board providing expert advice and feedback to the Project Team. The Project Team is made up of staff from THC and HLH who undertake the day to day management and delivery of the project. The Senior Responsible Officer for the project is the Council's Head of Development and Regeneration.

The project vision was set by the Inverness Castle Delivery Group in 2016 as follows:

'To take the opportunity of the Scottish Courts and Tribunals Service relocating from Inverness Castle to create a sustainable and viable must-see centre that innovatively celebrates the Spirit of the Highlands: its



Artists impression of building entrance by LDN Architects

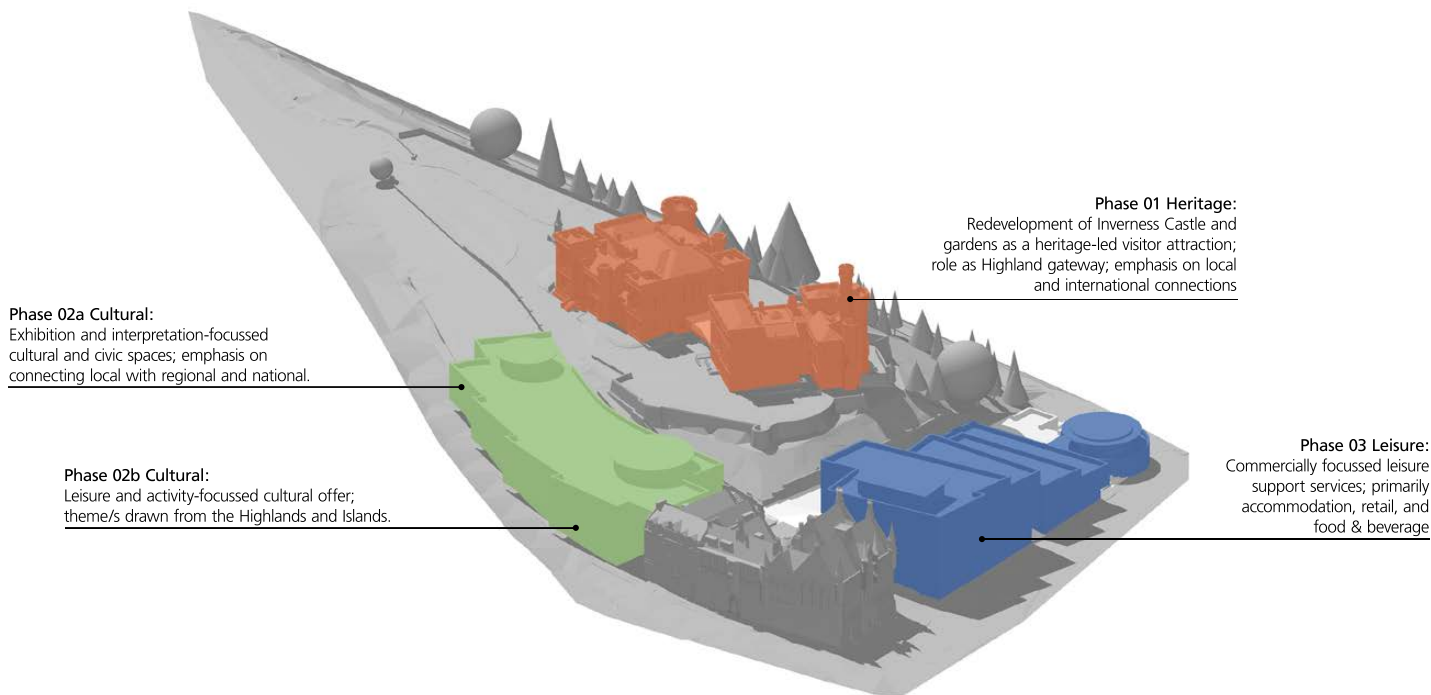
creativity, culture, heritage and landscape. The centre will attract new and repeat visitors to the area, will be embraced by the people of the Highlands and will inspire all to visit other parts of the Highlands'.

The objectives of the Inverness Castle Project, as set out in the CRD Business Case are as follows:

- To become an international tourist attraction / must-see tourist destination, creating a vibrant city centre destination;
- To generate an operating surplus;
- To act as a gateway to the Highlands and encourage visitors to extend stays/ visit other areas of the Highlands;
- To act as a catalyst for the wider regeneration of the Castle Hill and Inverness City Centre;
- To provide an authentic cultural experience for all visitors that celebrates the Spirit of the Highlands;
- To open up the Castle with public access for local people as well as tourists;
- To present cultural activities for the participation of residents and visitors;
- To enhance the reputation and attraction of Inverness and the Highlands with residents and visitors;
- To provide facilities for residents that complement existing town centre provision;
- To create additional inclusive employment opportunities and generate additional spend in Inverness and the wider region.

During the period of this annual report the following key milestones have been achieved.





LDN Architects

Inverness Castle: Spirit of the Highlands Masterplan  
Phasing Diagram

## Design and Construction

The masterplan for the development of the Castle Hill was created and approved by the Delivery Group, comprising three phases. The transformation of the North and South Tower into a visitor attraction is phase 1, to be followed by the addition of a new regional museum, gallery, library and further visitor attraction on Castle Street in phase 2. Phase 3 will see the development of Upper Bridge Street to add accommodation and enhanced retail and catering provision to this part of the city. The three phases are linked in design, creative content and by the physical development of the public spaces and landscape around them.

LDN Architects were appointed as project architects and have now developed the designs for phase 1 to RIBA stage 4. The project timescale and cost estimates were developed prior to the Coronavirus pandemic and may require amendment due to the impact of the virus on public buildings of this kind. At present the project is on schedule and this phase is due to be completed in 2024.

The purchase of the South Tower was finalised on 17<sup>th</sup> July 2020, placing all of the buildings and land on the Castle Hill site into the ownership of the Council. Work began to erect the hoardings around the building on 20<sup>th</sup> July, with the enabling works contract due to commence in early September.

## Creative Content

Creative Services Scotland were appointed to provide direction on the development of the creative content for the new attraction. In consultation with key stakeholders, it was determined that the new visitor attraction would present the ‘Spirit of the Highlands’ in 100 stories.

The stories will be gathered from across the region and filtered to select the stories that will best capture the imagination of visitors and encourage them to explore all parts of the Highlands. It is planned that the ‘Call for Stories’ will be launched in early September 2020 with the release of a short promotional film accompanied by communication through a wide range of local networks to stimulate and encourage responses from communities throughout the area. All stories gathered and not used within the Castle will be captured and presented in an online ‘Autobiography of the Highlands’.

The ‘Spirit of the Highlands’ brand, approved by the project’s Delivery Group, will be applied in the architectural designs of all three phases of the project, as well as in the promotional collateral connected with the new attraction.

**Spirit**  
**Spiorad**  
of the Highlands  
na Gàidhealtachd



## Funding

The CRD Business Case has been submitted to the Scottish and UK Governments for approval. A decision is expected in mid-August. Match funding from the Council remains within the Authority's capital programme at present, with a review scheduled for September 2020. The funding package for phase 1 is currently in place. Design concepts have been commissioned for phase 2 to enable the project team to accelerate this phase of the Castle Hill development if the opportunity arises to access finance to support the recovery of the tourism sector in the Highlands.

Applications for funding support have been submitted to the Natural Cultural Heritage Fund, Creative Scotland and Scotgrad, with the outcomes yet to be notified. Further bids for financial support will be made to the National Lottery Heritage Fund and HIE, with ongoing dialogue with private sector sponsors.



## Stakeholder Engagement

In addition to input from the project's Delivery Group and Project Board stakeholders, a specific Tourism Sub Group has been established, comprised of the main tourism DMOs in the region, along with Visit Scotland and tourism leads within the Council and Scottish Government. Each group meets quarterly to shape and influence the development of the project as it progresses.

A comprehensive Stakeholder Engagement Plan will coordinate engagement with communities in all areas of the Highlands, including Council Members. The Plan includes a focus on specific communities of interest, such as the cultural and heritage sectors, and links with young people. The Engagement Plan forms part of the overall Marketing and Communications Plan for this phase of the project, which was finalised in July 2020.



Inverness Castle artists impressions by LDN Architects



# 8 Northern Innovation Hub

## Co-ionad Nuadhais a' Chinn a Tuath

Lead Organisation  
Highlands and Islands Enterprise

Funding	
UK Gov	£11,000,000
ERDF	£1,700,000
HIE	£2,000,000

### Progress

The Northern Innovation Hub (NIH) was launched in early 2018 and is now in its third year. It is a programme which builds on and accelerates current business support services in the region, enabling a focus on sectoral opportunities which will create global competitive advantage.

European Regional Development Fund (ERDF) funding was £1.7m with the intention to secure a second phase £1.3m additional ERDF to fund additional activities including the Food and Drink projects, however this opportunity has now been withdrawn. We have considerable underspend in our ERDF funds from a phase one £1.7m application. A request to the SG to realign some of this underspend towards the Food and Drink projects has been approved. This will, however, be subject to timescales and eligibility of any revised project activity.

- 12 individual projects have now been launched and are delivering outputs.
- A further 2 initiatives still to be launched.
- Some of the programmes have been under-subscribed and we are working with individual contractors on boosting numbers.
- 884 businesses have benefited to date from NIH projects, 622 of these in 2019/20, and of these, 115 receiving significant or intensive support.
- Following several resource challenges, a full team is now in place and located across The Highland Council area.

### Highlights and Outcomes

- **Impact30 young entrepreneurs programme** is being delivered by AAB Consulting and is attracting a great diversity of young business leaders across Highland. The third cohort launched in the Autumn with 9 businesses participating. A fourth and final cohort is due to commence in late summer. To date 31 businesses have benefited from the programme.
- **First Technology Placement** completed in December 2019. The first student placement ran in the summer, and a second graduate placement is currently ongoing with Pat Munro.



- Code Clan continues to deliver the **Coding Academy** contract and the first cohort of 8 students completed in January, all of whom secured long term employment. The

second cohort is being delivered through a virtual learning environment and attracted 4 students, all of whom graduated in May 2020. A recruitment campaign is currently running for a third cohort due to start in late July.

- **Nexus** coworking space is now well established in its new base, with 17 businesses taking leases/ occupancy agreements and a further 17 with 6-month soft-landing agreements to date. A series of business breakfasts and other networking events have also been well attended.
- **Pathfinder Accelerator** ran 2 cohorts in 2019/20 with a total 13 businesses taking part. The next cohort has a strong Aquaculture theme and is focused around the Lochaber area.
- **NHS Market Ready** pilot was completed and evaluated, and it was decided not to continue with this programme.
- To date 63 Life Sciences and Technology businesses have benefited from the **Life Sciences programme**.
- Digital Tourism - Our Global Markets and Business Insights programme **Tune into Tourism** has to date delivered a series of video podcasts / webinars / online chats with more planned over the coming months. 237 businesses have taken part so far; 104 in the last financial year. Digital Tourism Think Tank (DTTT) - access to the DTTT community continues to deliver value to 10 destination management organisations (DMOs).
- **Adventure Tourism** – Funding of £222,300 was awarded to Scottish Cycling towards total project costs of £377,085 to implement a 3-year mountain biking destination project. Procurement for an Adventure Business Growth Programme was completed in October, and the contract awarded to BTS who are in the planning phase in partnership with Lochaber Chamber of Commerce.
- **XpoNorth Digital Dashboard** launched at XpoNorth 2019.
- XpoNorth has supported 106 creative businesses to date, to enhance customer engagement and develop new products and services using digital technologies.



- Procurement completed for **Highland Food & Drink Innovation Network**. Rural Matters LLP secured the contract. To date the network has run 4 consultative workshops across Highland, attracting 42 businesses to date.
- Plans for a **Food & Drink TechHub** are moving forward, with a site-options appraisal almost complete and a project plan drawn up.

## Inclusive Growth

Programmes have reached out to the wider Highland Council area – to date there have been 2 beneficiaries from Caithness and Sutherland, and 5 from Skye, Wester Ross and Lochaber. The majority of Impact30 and Digital Tourism activity is delivered using digital technologies, allowing more remotely located businesses to participate, and also linking them up with partners and organisations across the globe.

The NIH team has a presence across the region with staff currently being based in Thurso, Fort William and Inverness. The migration of programme delivery to digital platforms has enabled improved geographic reach, as well as having a positive environmental impact including a reduced carbon footprint. Reduced travel time has also impacted on efficiencies including reduced overheads for contractors, and increased productivity per participant hour spent on programmes.

## Additionality

A cluster of young businesses is emerging around the Skye/Lochalsh area, as a consequence of IMPACT30. These young entrepreneurs are providing mutual support, mentoring and collaboration.

Several businesses have benefited from more than one NIH activity and we are introducing cross-project networking activities.

All members of the NIH External Project Board have been actively engaged in promotional activity and new enquiries are emerging via their networks. In 2020/21 we are extending attendance of the project board to the 3 Chambers of Commerce.

Wider interest is emerging in the NIH and we have already secured funding and rolled out a series of Food & Drink events to the wider Highlands and Islands area. The model has also been adopted by Scotland Food & Drink and rolled out nationally.

## Case Study

### Nexus

Nexus is a collaborative coworking space based on Inverness Campus. It offers a range of tenancy and occupancy agreements for businesses working in the fields of health, life sciences and technology. NEXUS users have access to shared services in the space including communal kitchen, rest rooms, private meeting spaces, storage and printing/copying facilities. The aim of NEXUS is to provide incubator space for small businesses, to allow them to develop in a supportive environment, with the ultimate aim to relocate thus providing opportunities for new businesses to join the NEXUS community. We also offer 6 months' free access to the facility for our Pathfinder Accelerator participants, which provides them with a hot desk within the space. In March 2019 NEXUS moved to a new, larger space on the Campus enabling us to support many more businesses and welcome more visitors into the space through our events programme. We also brought in two "hush hubs", to facilitate small private meetings and calls. 34 businesses have benefited from the space to date, 12 of these in financial year 2019/20. In 2019/20 we ran 6 networking events, bringing in speakers from a range of industries, creating a wider ecosystem of knowledge and insights to support innovation and collaboration within the space. With 318 attendees in total, these events also provide an opportunity for NEXUS users to widen their networks and make new connections.



Photo: Opening of NEXUS life sciences and technology coworking facility, Inverness Campus. Carroll Buxton (acting CEO, HIE); Andrea McColl, Senior Development Manager, HIE; Helen Carmichael, Provost. (Carroll was acting CEO at the time, now Depute CEO).

# 9 Life Sciences Innovation Centre Ionad-nuadhais Saidheansan Beatha

Lead Organisation  
UHI

Funding  
UK Gov

£9,000,000

## Progress

The university has undertaken the development of an altered scheme of the new facility with Highlands and Islands Enterprise and a new design team (Austin-Smith:Lord). The building development has incurred some delays due to unaffordability of the previous scheme. The construction is scheduled to be completed in the spring of 2022.

Close collaboration continues with NHS Highland with five PhD studentships, and research and innovation contributions from clinicians and technical staff.

Health innovation outputs are being delivered to programme.

## Highlights and Outcomes

Engagement with industry in life sciences and research colleagues has continued to be very positive this past year. The innovation project pipeline has reached over 150 innovation ideas being discussed, including 14 projects countable as 22 City-Region Deal outputs.

## Inclusive Growth – Health Impacts

The twin goals for the Life Sciences Innovation Centre are to develop new treatments, services and products to improve treatments and quality of life for people in the Highlands who suffer from ill health, and to commercialise those innovations with the greatest potential, with a view to building the life science sector in the region.

## Case Study

### Nanomaterial Water Filter Project

Pharmaceutical contamination of our watercourses and reservoirs is a growing problem worldwide and has the potential to have major detrimental impacts on ecology and human health.

‘Filters for Pharma’ is a City-Region Deal project funded by the University of the Highlands and Islands’ water quality innovation fund, which aims to develop technologies for removing contaminant pharmaceuticals from hospital effluent to reduce their impact on environmental and human health. The project is taking place within the Division of Biomedical Sciences with support from the Environmental Research Institute at North Highland College UHI and commercial partners Aseptium Ltd and PolyCatUK Ltd. Using a novel nanostructured material, microporous hollow fibres have been functionalised to filter, capture, and/or ‘break down’ pharmaceutical contaminants.



Winners of the 2019 SCDI Highlands and Islands Enterprise Award for Excellence in Research & Innovation

Nanomaterial coatings provide an extremely high-surface area, allowing high filtration capacity and throughput. Construction of test rigs is currently underway to quantify filter efficacy and optimise design. This pilot study has the potential to drive a wide range of nanomaterial-based applications that will stimulate new research and commercial opportunities for the Highlands and Islands region.

## Case Study

### National recognition for research and innovation

The university was awarded the SCDI Award for Excellence in Research and Innovation in September 2019 based on City-Region Deal work, including licensing of an anti-cancer immunotherapy to a Chinese pharmaceutical partner, new academic-commercial partnerships with SMEs including Aseptium Ltd., Cognihealth, and Scottish Vet Referrals, and new collaborations with NHS Highland. The award also recognised the growth of university health and life sciences research and innovation supported through City-Region Deal funding, notably the enhancement of the Active Health Exercise Laboratory and investment in clinical academic secondments.

## Additionality

The City-Region Deal project has contributed to raising the profile of health research and innovation at the University of the Highlands and Islands thanks to project personnel becoming increasingly involved in key national leadership roles. Examples include the appointment of Prof. Sandra MacRury to both the Executive Committee of the Faculty of Remote, Rural and Humanitarian Healthcare run by the Royal College of Surgeons Edinburgh and the North of Scotland NHS Innovation Steering Group, as well as Dr Mark Grindle's leadership of the European Connected Healthcare Alliance ecosystem for mental health and active healthy ageing, Dr Adam Giangreco's appointment to the Highland Health Connect steering group, and Prof. Ian Megson's accession to the Translational Clinical Studies Panel of the Chief Scientist Office in Scotland.

# 10 Digital and Wi-Fi

## Didseatach agus Wi-Fi

Lead Organisation  
Highlands and Islands Enterprise

Funding  
UK Gov **£20,500,000**

### Progress

Digital Connectivity continues to be the most challenging of the Inverness and City-Region projects owing to its reliance on the Scottish Government's Reaching 100% (R100) North Lot contract. The contract was due to be let to BT in December 2019 which would have allowed the scope of the CRD project to be finalised and an expenditure profile established. Unfortunately, an unsuccessful bidder has raised a legal challenge to the contract award and this has delayed contract signature. CRD partners have investigated other potential uses of the capital funding but public interventions on digital connectivity have significant state aid and procurement regulations to follow which precludes any quick and effective use of the funds elsewhere. The R100 North contract therefore remains the preferred vehicle through which to use the digital connectivity funding.

Using the CRD funding in this way will ensure that the outcomes are truly additional to the core R100 funding, that the funds can be spent on future-proofed full fibre, gigabit capable solutions and can be targeted at some of the most rural communities within the region.

### Completion of the Wi-Fi Project

The Wi-Fi project was the second of the Inverness and Highland City-Region Deal's to conclude. It has provided free Wi-Fi to Inverness and another 17 settlements in The Highland Council area. It is predominantly used by tourists supporting the Tourism theme within the Deal.



### Highlights and Outcomes

Cumulative Users: to 31 <sup>st</sup> March 2020	
Achnasheen	480
Alness	1,397
Aviemore	11,001
Dingwall	2,298
Dornoch	1,874
Drumnadrochit	5,280
Fort Augustus	10,214
Fort William	9,914
Invergordon	7,365
Inverness	85,032
Lochcarron	146
Nairn	923
Portree	10,432
Tain	1,552
Thurso	570
Ullapool	6,001
Wick	298
<b>Total Users</b>	<b>154,777</b>

- The creation of a free open public Wi-Fi system in Inverness to visitors, residents and businesses available 24/7 365 days per year.
- The creation of a scalable and flexible wireless infrastructure that city systems, such as Urban Traffic Management Control and ITS, can utilise.
- The creation of data sets about visitor and local activity in the city in order to increase knowledge about the local, business, tourism economy/usage.
- Maintenance of the Highlands' position as a key tourism destination in a competitive market where internet connectivity is becoming standard and improving the visitor experience.
- Increased citizen engagement and improvements to social and digital inclusion.
- Increase in Inverness' smart cities maturity.

### Additionality

The project seeks to provide an added value element to it, as it provides a flexible and scalable backbone infrastructure, which may allow current and future projects to make use of and reduce capital costs.

Increased partnership working between the bodies such Highland Transport Partnership (HITRANS), The Highland Council, HIE, Visit Scotland and Inverness Business Improvement District (BID) as examples.



# 11 Science Skills Academy (STEM) Acadamaidh Sgilean Saidheans (STEM)

Lead Organisation  
Highlands and Islands Enterprise

Funding  
Scot Gov  
£3,000,000

The Science Skills Academy (SSA) was established to inspire children and young people across Highland to become engaged with the core STEM subjects – SCIENCE, TECHNOLOGY, ENGINEERING and MATHEMATICS (STEM). We want to encourage more young people to study STEM subjects in school and beyond and raise awareness of STEM-related careers, particularly those in the area. This innovative project will ensure an equity of provision, overcoming barriers of geography and scale, to reach all school children in the region.

## Progress

### Newton Room Network

The Thurso Newton Room and Fort William Newton Room opened in March and April 2019, respectively. For the past 12 months both rooms have been fully operational with visits from 49 primary and secondary associated school groups (ASGs) and home-educated groups from across Caithness, North Sutherland and Lochaber.

The Dingwall Newton Room, hosted at Dingwall Town Hall, is currently under refurbishment. A Public Information Session was held in October 2019 and was very well attended by members of the public including families, teachers, local business and community groups. The SSA was delighted that Drew Hendry MP, a founding member of the SSA, was able to join this event and talk to the public about the positive impacts of the project.

After looking at various options, and discussing these options with the local community, the SSA Project Board agreed that a different delivery approach may benefit schools in the Lochalsh and Portree ASGs, and their surrounding communities: for the next academic year a Pop-Up Newton Room will be trialled for schools in these ASGs, along with the option to visit the Fort William or Dingwall Newton Room for some year groups. The Pop-Up Newton Room will be set up in local facilities around the area, using the same high-quality furniture and STEM equipment with activities being delivered by SSA staff. It is hoped that this method will encourage more community/family/extracurricular events.

The SSA is progressing several options for a host-site for the Inverness Newton Room, with the preferred location being at Inverness Campus. In the meantime, Newton Module activities have been delivered to Inverness schools at temporary premises since August 2019.



Thurso and Fort William Newton Rooms



## SSA Team

The SSA Team now has 9 staff members: The SSA Core Team consists of a new Senior Responsible Officer who, as a result of the former SSA Director leaving their position, commenced duties in August 2019; a Project Manager; a STEM Engagement Manager and a Project Coordinator (position waiting to be filled). The SSA Delivery Team consists of five new staff members who were recruited in 2019: there is now a dedicated STEM Engagement Officer (SEO) for the Thurso, Fort William, Inverness and Dingwall Newton Rooms, and another SEO that focusses on Outreach/Pop-Up delivery. All SEOs have a background in STEM ranging from health science to pathology and viral vaccine research to ecology.



## Newton Modules

The SSA has been delivering two full-day Newton Modules to date: Robotics & Mathematics to P6/P7 pupils and Energy & Renewable Energy Sources to S1/S2 pupils. In addition, several outdoor-learning activities are being developed that are in alignment with the new post-lockdown school teaching methods - these will focus on maths and agriculture.

## Communications

Press coverage has included press releases focusing on the Dingwall Newton Room Public Information Session, and the SSA's participation in the live streaming of the Royal Institution Christmas Lecture Series (details below), which were both picked up by local press.

## Highlights and Outcomes

Since the start of the project the SSA has interacted with over 4000 participants, which have been a combination of school pupils, teachers, families, general public and business employees. These interactions have been as a result of both direct delivery by the SSA Delivery Team and also external STEM organisations/deliverers/groups. The table below shows the breakdown of interactions:

Activity Type	Number of Participants
SSA Newton Module	1770
SSA Extracurricular Event	1049
SSA Taster Session	818
SSA Public Event	305
SSA Meeting	19
SSA CLPL	11
External Deliverer	432
Business Event	29
<b>Total</b>	<b>4433</b>

Post-event evaluations have provided very positive feedback from both primary and secondary pupils – highlights are below:

- 91% of Primary Pupils and 80% of Secondary Pupils said that the visit to the Newton Room had taught them more about the topic they had covered than they knew before
- 88% of Primary Pupils and 69% of Secondary Pupils said the visit to the Newton Room made them more aware about jobs/careers in STEM
- 81% of Primary Pupils and 58% of Secondary Pupils said that the Newton Room visit had made them more interested in STEM topics
- 79% of Primary Pupils and 44% of Secondary Pupils said that the Newton Room visit had made them keener to learn/study STEM subjects at school
- 89% of Primary Pupils and 78% of Secondary Pupils said that they either agreed or strongly agreed that the way they were taught in the Newton Room was exciting and interesting

It has been encouraging to see some of the smaller primary schools collaborating and using the opportunity to visit a Newton Room as a primary-secondary school transition activity. On several occasions' smaller primary schools from the same ASG have brought their P6/P7 classes on the same visit, which has given the primary pupils the opportunity to mix with other pupils that will transition to secondary school together. Primary Schools with a shared Head Teacher have also chosen to join-up plans for their primary schools with positive feedback. This joined-up thinking increases capacity, allowing the SSA to delivery more sessions and reach more pupils in the same time-period.



Thurso lab by Angus Mackay

## Inclusive Growth

In order to prioritise the more remote and rural schools in Highland the SSA has purposefully established the other four Newton Rooms ahead of the Inverness Newton Room, a decision which has been received favourably by communities throughout the region.

The equality of STEM delivery and accessibility across the region, regardless of how remote and rural a school may be, is of utmost importance to the SSA. In order to encourage and facilitate school visits to a Newton Room, the SSA has included a budget line for contributions towards school bus hire – the value of the contribution is dependent on the distance of the school to the Newton Room. To date, this has been seen favourably by schools.

## Case Study

### Thurso Newton room

Within six months of the Thurso Newton Room becoming operational, 100% of the schools in the Thurso catchment area (Farr, Thurso and Wick ASGs) have had at least one engagement with the SSA. In the 2020-21 academic year all the P6/P7/S1/S2 classes from these schools had either attended or booked to attend a visit to the Newton Room to take part in a Newton Module activity.

With all bookings confirmed early in the academic year, the Thurso Newton Room was in the position to commit time to deliver extracurricular activity to schools and communities in the area including:

- Adult education sessions with North Highland College, UHI;
- Fun-day activities with the Library;
- Wick HS 'Environmental Science' National 4 and National 5 practical on Renewable Energy;
- Sessions for Home-Educated pupils;
- Extended reach of Newton Module activities to schools from the Dingwall Newton Room catchment area (Golspie High School, Golspie Primary School and Rogart Primary School); and
- Offering Destination Space workshops to all P6-S1 pupils, in addition to their Newton Room Module.



## Additionality

In December 2019, the SSA was the only organisation in Scotland to be selected to live-stream the Royal Institution Christmas Lecture Series. It was the first year that this prestigious family STEM event was broadcast to locations throughout the UK, and the SSA live-streamed the event at the Thurso and Fort William Newton Rooms, as well as another location in Inverness. Families and adults from the community had the opportunity to take part in hands-on activities and watch the lectures being recorded live from London. The SSA is already liaising with the Royal Institution to be involved with the event again in 2020.

The SSA is one of five UK Science Centres to have been selected to bring an exciting new national space programme, called Destination Space, to children and families in rural and remote communities near the proposed UK Spaceports. The Association of Science and Discovery Centres (ASDC) selected partners able to leverage their exceptional talents in engaging families with science in a fun and engaging ways, as well as their relationships with press, PR, universities and other partners to publicly celebrate space science in a way that works for them and their family and school audiences. The programme involves hands-on activities, school workshops, a family show and other resources. As the SSA is a member of the ASDC it was able to apply for this funded programme.

In addition to the SSA Delivery Team offering both Newton Modules and other extracurricular activity, the Newton Room network is also available for use by external STEM delivery organisations/deliverers/groups. A range of events have been hosted at the Thurso and Fort William Newton Rooms including:

- Bioinformatics for Biologists: a Career Long Professional Learning (CLPL) event delivered by the University of Edinburgh to secondary school teachers for the last 2 years;
- The SSA both hosted and delivered STEM activities for “Step into STEM”, a 3-day event organised by Developing the Young Workforce (North Highland) and Dounreay. Over 450 S2 pupils from Caithness and North Sutherland attended the event over the past 2 years, which involved a wide range of STEM employers and deliverers;
- Events/meetings for local STEM businesses and a Chamber of Commerce Business Breakfast;
- A Family STEM Club in Fort William and a Robotics Family Event in Thurso; and
- STEM Ambassadors training.

The SEOs had begun plans for holiday-club activities to be delivered in the Easter and Summer activities and had committed days to attend all of the regional science festivals as well as popular events from Belladrum to local family day events.

As part of the Scottish Government’s STEM Strategy, each region of the UK is required to form a Regional STEM Partnership (formerly termed STEM Hub) that is intended to strengthen and align STEM activity to primary and secondary schools at a regional level between partners, including universities & colleges, private, public, private and third sectors. The Highlands & Islands Regional STEM Partnership is led by the University of the Highlands & Islands (UHI), and the SSA closely supports this Regional Partnership and is involved at both a strategic and operational level.



# 12 Innovative Assisted Living (Fit Home) Bith-beò le Taic Innleachdach (Taigh Fiot)

Lead Organisation  
Albyn Housing Society Ltd

Funding  
Scot Gov

£5,000,000

## Progress

Progress continues on the development of the Fit Homes digital solution, building on the prototype system already developed and deployed. The last year has seen further testing, using Social Innovation Funding, to deploy the technology within a supported living environment and testing which customer profile would benefit most from the equipment. This was our first retrofit of the technology.

We are continuing to work with partners to develop the capacity and robustness of the solution and have begun the process of identifying appropriate vehicles for commercialisation.

Various factors are still contributing to the delay in making progress on the new build Fit Home properties. Momentum has been gained towards the end of the financial year.

## What we are doing



Secure Data Storage



NHS Receivers  
e.g. GPs, emergency services,  
telecare responders



Residents & Trusted Persons  
e.g. relatives, carers, neighbours



Research: Falls Prediction  
Algorithm  
Identify changes in activity  
that increase fall risk  
months/years in advance

## Highlights and Outcomes

### Build

Planning issues in relation to the Nairn site were nearing resolution but have been stopped through planning refusal which we are now appealing. We have, however, identified and are developing 4 sites. Construction is expected to begin during 2020.

These sites have additional benefits for the communities involved. Tongue is being developed as part of a co-location project with NHS Highland and with the assistance of Wildlands, a private sector organisation. Lairg is being taken forward in partnership with the local community development trust. Dingwall is part of a much bigger development to unlock a sizeable piece of land for local housing. Nairn was part of a plan for care in a local geographical area, close to local health providers.

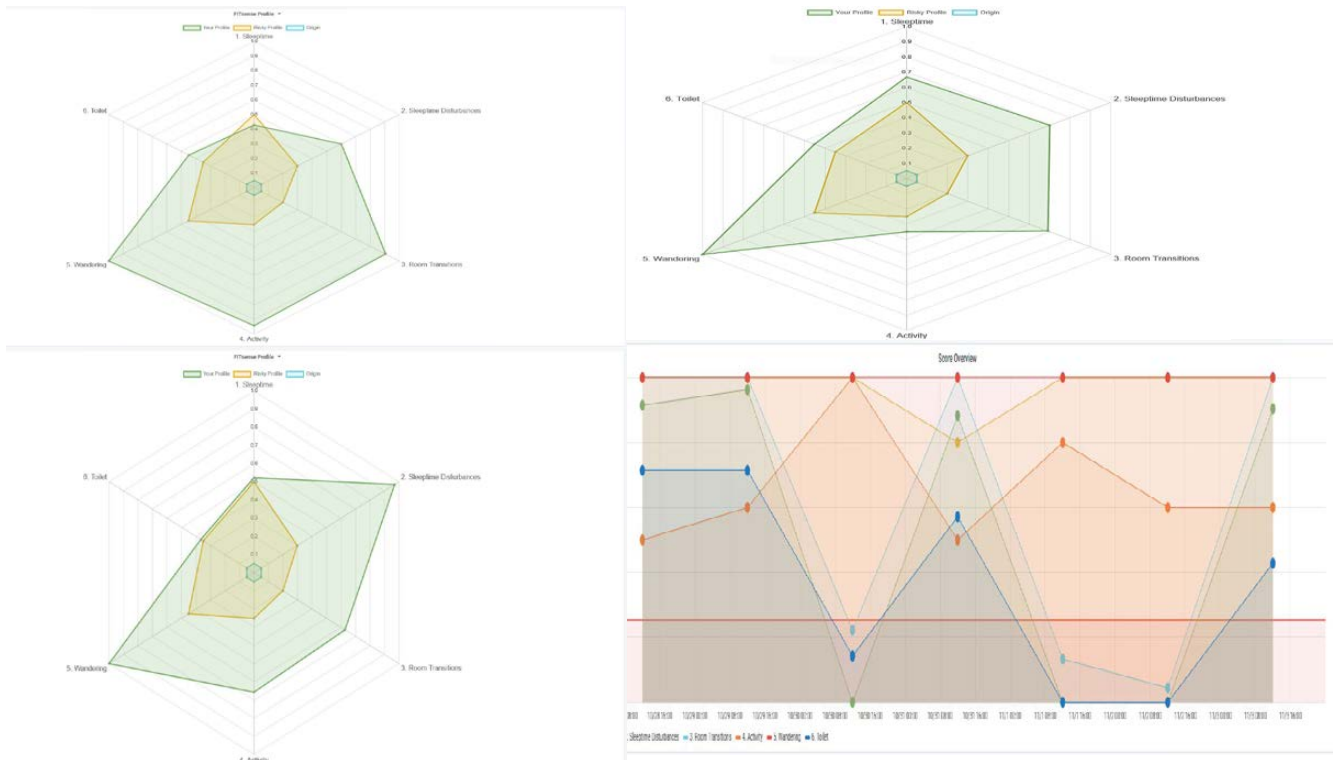
### Data Capture

We are still progressing the discussions with the University of Edinburgh about transfer of the Fit Homes database to the EPCC within the university and working in collaboration with the Edinburgh and South East Scotland CRD funded Data Driven Innovation programme to develop the data storage and management for scale. This has taken longer than expected due to the need for new pathways and security to be developed to enable us to utilise the data fully for research purposes.

### Artificial Intelligence

The prototype predictive algorithm continues to be strengthened through the on-going live data gathering, aiming to increase prediction of falls. Initial outputs are still encouraging, providing a strong basis to build on as we develop this aspect of the digital solution. Our PhD student has continued to make progress on developing the flexibility of our prototype and future predictive algorithms for retro-fit in homes with different layouts. The student has also begun work on identify events from the data. Using data analysis and input from residents, we are now able to identify how long somebody takes to get dressed in the morning, how long someone takes to have a shower and get washed, and how long someone takes to make their lunch. All these activities are central to establishing support needs as people get older.

## Falls Prediction – Algorithm Development



### Exploring Social Business Potential

The team continues discussion with NG Homes, Glasgow Health & Social Care Partnership, the British Heart Foundation and local GP's about establishing a research test bed in Possilpark, Glasgow, with a focus on predicting cardio-vascular diseases. We are now talking to other RSL's in the area, looking for potential joint working opportunities as part of our business development research.

We are also continuing discussions with a range of potential universities about testing emerging sensor technology in the Fit Homes. We are looking at how data can be used cross sectoral assisting a number of partners to utilise and develop new wellness opportunities through the data we are capturing. We have been approached by universities across Scotland who are interested in this area of research. Our PhD student continues to explore novel application of wi-fi technology as a super-sensor in the homes.

### Inclusive Growth

This goal in this project is about helping people stay in their own homes and as part of the community safely for the longest possible time. The developments in services and technology will be evaluated for commercialisation opportunities. The project may look at taking these opportunities through the creation of a social business with the surplus used to fund further developments and the provision of services.

## Case Study

### Nairn

In the pre-installation interviews at the retrofit trial in Nairn, there was anticipation of an increased sense of safety, and independence. Three of the interviewees highlighted benefits of having the technologies in their follow up interviews:

One interviewee confirmed the importance of having another form of security in their home:

**Tenant:** I think it's another form of security. I mean, you've got the cord but if you fall down and you can't get sort of get in touch with anybody, I think they are a good help.

**Interviewer:** At the moment the system isn't connected to an emergency portal but relies on someone else checking.

**Tenant:** It is still good, someone else can check it. (T06)

One interviewee mentioned the importance of these systems for someone that has reduced mobility:

**Tenant:** Like I said, it's good to have one more system

**Interviewer:** Do you think it's good to have these in addition to the fire alarm and the pendant – you know, the thing hanging off your neck?

**Tenant:** Yes. I think it should be (the law) for some people that can't move about so easily. (T01)

One tenant highlighted how potentially their support worker could use the system, should all the other means of communication fail. This brought a sense of safety:

**Interviewer:** Going back to the technologies, how was it to have installed in the flat?

**Tenant:** It is good because I know that if the other things fail and my care worker doesn't hear from me she could use that. At the moment she only looked at it a few times, she doesn't have the time to do as part of the job. (T10)

## Additionality

The Dalmore Fit Home project was the pilot for this new technology. Building on this initial City-Region Deal investment, the project has been successful in attracting a further two rounds of funding through the Social Innovation Funding. Following on from our first retrofit deployment in Nairn, we are in discussion with other housing providers about the potential to locate these in sheltered or supported housing, which would enable further retro-fit testing and initiate generation of data to support development and testing of a solution to stream data directly to NHS clinicians, carers and responder services.

We have had unsolicited interest from a number of academic institutes and the potential for a research arm within a social business model is an area we need to explore.

Our work with Edinburgh University has the potential to offer cross working with the Lothian City Deal. This includes the possibility of some joint working with the Usher Institute. Our development of an AI falls predictor has opened up the potential for looking at other predictive disease algorithms, using our social data as the base for prediction, creating a permanent test bed for partners to work with. We are currently looking at ways that this could be delivered.

# 13 Affordable Housing Taigheadas Neo-chosgail

Lead Organisation  
The Highland Council

Funding  
Scot Gov

£5,000,000

The project purpose is to offer young people attractive, affordable housing in the Highlands to enable them to stay in the region, retaining a young, vibrant workforce for the Highlands. The vision for the project is to deliver high quality housing for young people in the Highlands.

## Progress

A total of 255 units have been approved to date in locations across the Highlands which have been identified as having a housing need which can be met through the initiative.

The first projects have been completed, delivering a total of 78 new Mid-Market Rent (MMR) opportunities within Alness, Ardgay, Dornoch, Drumnadrochit, Fort William, Inverness, Munlochy, and Ullapool. However, it is anticipated that a further 43 units are due to be completed by 31<sup>st</sup> March 2021, with additional projects either onsite or currently being worked up as identified within the adopted Strategic Housing Investment Plan (SHIP). The tables here show the sites developed and to be developed since 2017/18.

### 2017/18

Project	Units
Inverness, Glendoe Terrace	10
Inverness, Raining's Stairs	10
Drumnadrochit	5
Inverness, Balvonie	9
Ullapool	6
Lochside	6
Inverness, Balloan Road	6
Munlochy, Cameron Crescent	6
<b>Total</b>	<b>58</b>



Glendoe Terrace by Ewen Weatherspoon

### 2018/19

Project	Units
Alness, Dalmore (Ph4)	8
Alness, Dalmore (Ph5)	4
Alness, Newfields	2
Ardersier	4
Ardgay	2
Dornoch, Deans Park	2
Dornoch, Kennedy Road	2
Inverness, Academy Street	14
Inverness, Stratton	2
Inverness, Viewhill	4
Strathpeffer, Kinellen	10
<b>Total</b>	<b>56</b>

### 2019/20

Project	Units
Avoch, Memorial Field	6
Carrbridge	5
Fort William, Achintore School	10
Grantown on Spey	8
Inverness, Slackbuie	15
Aviemore, Burnside	4
Inverness, Ness-side	12
Fort William, Blar Mhor	10
Inverness, Ness Castle	4
Inverness, Lomand Gardens	8
Kingussie	5
<b>Total</b>	<b>87</b>

### Proposed 2020/21

Project	Units
Drumnadrochit	8
Dornoch, Elizabeth Crescent	8
Inverness Stratton	10
Inverness Academy Street	14
Inverness, Castle Street	8
Fort William, Lochaber House	6
<b>Total</b>	<b>54</b>



## Inclusive Growth

This project is, by definition, an inclusive growth project. It aims to bridge the gap in affordability of good quality housing for those people, many of them young, who are needed to develop the earning potential and careers so that they can further contribute to the Highland Economy.

## Highlights, Outcomes and Additionality

Information about the developments below demonstrate the many facets of these developments.



Munlochy by EwenWeatherspoon

### Munlochy

The Cameron Crescent development in Munlochy is a continuation of the original street to develop 4 homes for social rent by The Highland Council and 6 Mid-Market Rent homes for Highland Housing Alliance. This was completed in Autumn 2018.

The response for these homes was outstanding with reserve lists showing they could have been filled three times over. We have received excellent feedback from the occupiers on the location, heating and room layouts in these high-quality new builds.

### Avoch

Following on from the high demand experienced in Munlochy a development is underway within the neighbouring community of Avoch. The project is currently on site and due for complete during the summer of 2021. This project will deliver 34 homes for Social Rent by Cairn Housing Association and 12 Mid-Market Rent homes for Highland Housing Alliance.

The site neighbours the local primary school and will provide a new pedestrian crossing creating a safe route to the village amenities. The mix includes bungalows and housing

with a ground floor bedroom/bathroom arrangement to meet varying needs within the community.

The development was zoned for housing but had very difficult Scottish Water capacity issues to overcome and challenging infrastructure to get a start on site. Scottish Water commented it was one of the hardest projects they have worked on locally.

The development team liaised with the local community and statutory authorities to tackle these significant difficulties striving to meet the demand on these much-needed homes on the Black Isle, evident after the success of Munlochy.

### Strathpeffer

Kinellan Drive is an example of collaborative and partnership working to deliver mixed tenures. The site was zoned for housing with works beginning in September 2019 on the 42 home project. There was numerous planning, drainage and ecology conditions to work through on this development including obtaining a European Great Crested Newt licence before construction could commence. The development team are working closely with the local community and residents' association with regular updates and liaison meetings on site progress which has been warmly welcomed.

The homes are split between various partners: The Highland Council with homes for social rent and low cost home ownership; Highland Housing Alliance with homes for mid-market rent; and Compass Building & Construction Services Ltd with homes for open market sale.

Strathpeffer has been identified as an area of need, particularly for locals who have often been priced out of the housing market due to the village's traditionally large houses and lack of family homes at affordable prices. There has been no significant development in Strathpeffer for some time, and this much-needed development will help deliver high quality homes under a variety of housing tenures.



Affordable Housing at Avoch by Black Isle Images



Balloan Court by EwenWeatherspoon

### **Inverness, Balloan Court**

Balloan Court follows on and is in keeping with the design of the previous successful development of Balloan Gardens delivered by The Highland Council in a high demand area of Inverness.

The 14-unit development at Balloan Court has a mix of flats, wheelchair bungalows and semi-detached houses. These were split between two partners; The Highland Council for the affordable homes and Highland Housing Alliance for the Mid Mark Rent homes, all completed during late Summer 2019.

Due to the restrictive land supply within Inverness, the houses for Balloan Court were built on land previously used as a play park. The play park in this case was relocated within the development area next to the football pitch and works were also carried out to improve the existing shared parking arrangements for the local area including reorganisation of parking bays and white lining to redefine bays.

### **Fort William, Lochside**

This development of 60 new homes was a significant regeneration project, it had been the site of the former Lochside Primary School. The Highland Council were the main driver in pushing redevelopment of this site to create homes that were completed in October 2019.

The design of the site ensured connection to the nearby open green areas and a new play park. A collaborative approach was taken to deliver a variety of tenures; social rent for The Highland Council, social rent for Lochaber

Housing Association and Mid-Market Rent known as Highland Housing Alliance.

### **Fort William**

Following the undeniable success for Lochside we are now committed to three new sites in Fort William which will undoubtedly help the local economy whilst providing new build homes in such demand.

**Lochaber House**, in the centre of Fort William, will see previous dated offices transformed into 9 flats for social rent by The Council and 6 for MMR known as Highland Housing Alliance.

**Former Achintore Primary School**, is currently on site where 38 homes are being developed by The Highland Council and Highland Housing Alliance. Rejuvenating this vacant site will provide differing housing types from family homes to 2-bed cottage flats popular with younger tenants as well as homes for the elderly who are more likely to require level access ground floor properties.

**Blar Mor**, is a significant development in the area, the first phase of which will deliver 117 new properties. The Highland Council will deliver 87 homes for social rent and 10 for low cost home ownership. Highland Housing Alliance will deliver on 20 homes for Mid-Market rent.

Projects like these have been successfully achieved with funding from the City Region Deal which has fully supported difficult projects, overcoming physical challenges to ensure we are always provide high quality homes and meet demand clearly identified in rural and urban areas.



# 14 Longman Land Reclamation

## Ath-bhuannachadh Talmhainn an Longman

Lead Organisation  
The Highland Council

Funding  
UK Gov

£10,000,000

### Progress

The project objective is to carry out remediation and site servicing works to release a strategic site to the market to create up to 18 hectares of development-ready land for light industry / commercial use.

This will address lack of availability of appropriate land to meet the needs of both small and medium size businesses and the needs of larger inward investment companies. Encouraging employment uses to ensure the continued economic growth and success of Inverness.

In order to achieve the above we need to provide SEPA with a detailed remediation plan which will enable them to consider a partial release of the landfill licence categorisation. A business case for site investigation work was approved and The Highland Council carried out site investigation works to consider and report on landfill stability / settlement, landfill leachate and landfill gas; this required one year of gas monitoring, the monitoring of ground water tidal effect, an ecology study and standard penetration tests.

These studies have enabled the Council to prepare a strategy document for a landfill surrender application and provide detailed estimated of the remediation work

required to deliver significant business and industrial land supply for the next 10 years in Inverness.

The intrusive site investigation works to fully assess the levels of contamination and remediation works required, have been carried out. These have been shared and discussed with SEPA. Further site investigation works have been completed and are being submitted to SEPA. Detailed discussions are ongoing with SEPA to agree to the partial surrender of the licence and it is anticipated that agreement will be reached later in 2020.

The timescales for the project are intrinsically tied into the proposed new interchange at the Longman roundabout as the site cannot be developed and let until the new interchange is built. The amount of development land which be delivered through this project is dependent upon the land take for the new interchange including associated services e.g. suds ponds, and diversion of gas and oil pipes. The Highland Council is working closely with Transport Scotland to co-ordinate activities and share information in relation to the Longman interchange proposals and ensure both projects can be delivered to the maximum benefit to the Highlands.



Site at the Longman, Inverness by The Highland Council



# 15 Transport Infrastructure (Transport Scotland) Bun-structair Còmhdhalach (Còmhdhail Alba)

## A9/A96 Inshes to Smithton

As part of the Scottish Government's commitment within the Inverness and Highland City-Region Deal, Transport Scotland is taking forward plans for a single carriageway road connecting Inshes and Smithton.

The project is being delivered by Transport Scotland and is subject to Transport Scotland's governance requirements. Funding of the project is a matter for Scottish Ministers directly.

### Progress to Date

Transport Scotland carries out a rigorous assessment process for all trunk road projects. The assessment process, based on standards and best practice set by the Design Manual for Roads and Bridges (DMRB), covers environment, engineering, traffic and economics. Throughout this process Transport Scotland consults with a large number of people.

- The DMRB Stage 2 route options assessment work was completed in October 2017;
- The Preferred Option (Option 3, with two variants) was presented at Public Exhibitions held between 31<sup>st</sup> October and 1<sup>st</sup> November 2017;
- Further public events were held on 16<sup>th</sup> and 17<sup>th</sup> May 2018 to present updated proposals for comment, including provision for cyclists and pedestrians and the preferred route option (Variant B);
- Preliminary Ground Investigation work, completed in May 2018, has helped to inform the on-going design and assessment work for the new link road; and
- The DMRB Stage 3 assessment is now complete. Draft Orders and an Environmental Impact Assessment Report (EIAR) were published in September 2019.

Public events were held on 25<sup>th</sup> and 26<sup>th</sup> September 2019 to inform members of the public of the current status of the scheme and to enable them to ask any questions they had regarding the published draft Orders and EIAR. Transport Scotland also presented a virtual reality model showing an artist's impression of how the scheme may look 15 years after opening.

The proposed scheme includes new junctions at Eastfield Way and Cradlehall, a new link to the Inverness Retail and Business Park and a bridge over the Highland Main Line railway. Additional capacity will also be added across the A9 at Culloden Road through the addition of a parallel structure, providing two lanes of traffic in either direction. An additional lane (auxiliary lane) will also be provided on the A9 southbound between Raigmore Interchange and Inshes Junction to assist merging and diverging traffic. The proposed scheme will also provide enhanced facilities for cyclists and pedestrians through

the provision of a 3 metre shared surface on both sides of the carriageway between Inshes and Smithton, and a dedicated cycleway and separate footway linking to Inverness Retail and Business Park. The cycling and pedestrian facilities will also connect into the existing core path, local path and national cycle networks.

Further information is available on the Transport Scotland website: [www.transport.gov.scot/projects/a9a96-inshes-to-smithton/project-details](http://www.transport.gov.scot/projects/a9a96-inshes-to-smithton/project-details)





## Next Steps

Progress on the delivery of the scheme will depend on whether a Public Local Inquiry will be required to consider objections made and not withdrawn. Transport Scotland is currently considering all objections received and is working to resolve these where possible. Construction of the scheme itself can only commence if the scheme is approved under the relevant statutory procedures and thereafter a timetable for its progress can be set.

The A9/A96 Inshes to Smithton scheme is located to the East of Inverness and will support The Highland Council's Inverness East Development Brief. The proposed scheme is interdependent with both the A96 Dualling Inverness to Nairn (including Nairn Bypass) and the Inshes Junction Improvements – Phase 2 road schemes which are being progressed by Transport Scotland and The Highland Council respectively. Transport Scotland has been working closely and collaboratively with The Highland Council throughout the development of the scheme and will continue to do so.

## A9/A82 Longman Junction Improvement

As part of the Scottish Government's commitment within the Inverness and Highland City-Region Deal, Transport Scotland is taking forward plans for the grade separation of the A9/A82 Longman Roundabout.

### Progress to Date

Transport Scotland carries out a rigorous assessment process to establish the preferred option for a trunk road project, like the improvements to Longman. The assessment process, based on standards and best practice set by the Design Manual for Roads and Bridges (DMRB), covers environment, engineering, traffic and economics. Throughout this process Transport Scotland consults with a large number of people which has included close working with The Highland Council with regards to the proposals for the Longman land remediation project.

Building on the work being progressed on the A9/A96 Inshes to Smithton Link Road, design development work on the grade separation of the A9/A82 Longman Roundabout is progressing well.

Progress to date includes:

Transport Scotland appointed a consultant in August 2017 to take forward the design and assessment of the scheme;

- Public exhibitions held in May 2018 to let the local community and road users view and comment on the junction options under consideration;
- Preliminary Ground Investigation works completed in October 2018;
- Design Manual for Roads and Bridges (DMRB) Stage 2 route options assessment completed in June 2019;
- Preferred Option (Option 1 – comprising of a grade

separated junction with the A9 passing over the A82) presented at Public Exhibitions on 25<sup>th</sup> and 26<sup>th</sup> June 2019;

- Detailed Ground Investigation works undertaken in 2019; and
- Development of DMRB Stage 3 design and



Environment Impact Assessment.

For the preferred option, the junction slip roads will form a diamond layout ending at an enlarged roundabout with connections to the A82 and Stadium Road. Non-Motorised User (NMU) route improvements are also incorporated into the design and will be subject to further refinement throughout the detailed development and assessment of the preferred option (DMRB Stage 3 assessment).

Further information and material presented at the exhibitions can be found at the following link:

[www.transport.gov.scot/publication/exhibition-materials-june-2019-a9a82-longman-junction-improvement-scheme](http://www.transport.gov.scot/publication/exhibition-materials-june-2019-a9a82-longman-junction-improvement-scheme)

## Next Steps

Building on the engagement undertaken at the Public Exhibitions in June 2019 and throughout the scheme development so far, Transport Scotland and their design consultants will continue to engage with key stakeholders, including The Highland Council, throughout this process. The preferred option is now being developed and assessed in detail, leading to publication of draft Orders for formal comment in the coming months.

Progress thereafter on the delivery of the scheme will depend on the level and nature of formal representation received in response to the published draft Orders and whether a Public Local Inquiry will be required to consider objections made and not withdrawn. Construction of the scheme itself can only commence if the scheme is approved under the relevant statutory procedures and thereafter a programme for its delivery can be set.

As we have been doing on the A9/A96 Inshes to Smithton Link Road, Transport Scotland will continue to work in collaboration with The Highland Council during the development and assessment of the scheme. Transport Scotland will also continue discussions and maintain regular engagement with The Highland Council regarding potential development around the Longman area which may come forward in advance of major junction improvements.

# 16 Transport Infrastructure (The Highland Council)

## Bun-structair Còmhdhalach (Comhairle na Gàidhealtachd)

Lead Organisation  
The Highland Council

Funding  
THC

£64,300,000

### West Link

This West Link Project will allow the peripheral growth of Inverness and reduce traffic congestion in Inverness City centre. It will also reduce existing canal bridge delays and waiting times. The associated developments enabled by the West Link will expand the active travel network removing bottlenecks and barriers to cycling and walking and will release land for development identified in the local plan. The outcomes of the West Link project include:

- Reduced congestion at key junctions for both public transport and private cars within Inverness City Centre.
- Encouragement of cycling and walking within the city centre by reducing congestion thereby making for a safer and more pleasant environment.
- Improved journey times for movements to/from the west of the City.
- Tomnahurich Bridge is opened to canal traffic. It will also improve response times for emergency vehicles and bus journey time reliability.
- Enable the development of significant areas for housing and other economic development at Ness-side and Torvean. To date 1,500 houses have been enabled.
- Enable the development of a City Gateway at the Caledonian Canal entrance to the city, working with partners such as Scottish Canals.
- Provides a new facility at Canal Parks, managed by Highlife Highland, for Highland Rugby Club and the wider community.
- Provides a reconfiguration of Torvean Golf Course, with enhanced facilities, golf development potential and a centralised location.

Stage 1 of the West Link - which included the Canal Parks Enhancement, completed in December 2017. The golf course and new clubhouse was completed in spring of 2019.



West Link Bridge by The Highland Council



Opening of Kings Golf Club with Bernard Gallacher OBE (3 times Ryder Cup European Captain) by The Highland Council



## West Link Stage 2

This commenced on site in June 2019 and is programmed to be complete in December 2020.

The second Swing bridge means the road traffic will not be disrupted by canal traffic. This stage includes:

- demolition of existing golf clubhouse, including removal and recycling of resulting materials/debris – Scheduled for late July/early August 2019;
- construction of realigned General Booth Road, including utility diversions/kerbing/surfacing/etc – Scheduled to be completed in 2019; and
- works in canal (bridge foundations/wharf/service crossings/etc) – In canal working period from November 2019 until March 2020.



2nd Canal Bridge by The Highland Council Site Team



Draining the canal by The Highland Council

## Inshes Junction Improvements – Phase 2

This scheme will address existing and future traffic congestion issues and is being designed in close consultation with Transport Scotland's work as it is linked on the A9/A96 Inshes to Smithton scheme as part of The City Region Deal. The A9/A96 Inshes to Smithton scheme is dependent on the delivery of Inshes Junction Improvements – Phase 2, and it is important that these works are complete in advance of the Transport Scotland Scheme.

Following the publication of the National Transport Strategy in February 2020, this document clearly advocates a new hierarchy of travel – with the priority on walking wheeling and cycling, with cars being the least favored transport mode. A range of solutions have been

developed for Inshes Junction - with varying emphasis of transport modes, it is vital that public consultation is held to inform the Council in their selection of the preferred scheme.



Draining the canal by The Highland Council

# 17 Employment and Skills

## Cosnadh agus Sgilean

Lead Organisation  
The Highland Council

Funding  
N/A

The Inverness and Highland City-Region Deal, when prepared and entered into, recognised the challenges in delivering skills and training across the region and acknowledged that the current approach adopted did not always serve businesses and individuals to best effect. To this end, the Deal committed the Council, together with the UK and Scottish Governments, to bring forward pilot innovative and new approaches to the delivery of skills and training.

On 5<sup>th</sup> December 2018 the Scottish Government and Scottish Local Government agreed a Partnership Working Framework and Framework and Phase 1 of the 'No One Left Behind' programme commenced in April 2019.

This review identified 6 actions:

- A new local employability delivery model will be managed collaboratively between Scottish Government and local government from April 2019.
- One Funding Stream: Following the development of comprehensive delivery/funding arrangements and governance/accountability structures, other programmes will be integrated into this model such as the Employability Fund; Community Jobs Scotland; 14-19 Fund and Discovering Your Potential.
- A national outcomes and measurement framework will be put in place, which will allow local front-line services providers to align activity and deliver more flexible services.
- A national all-age employment support offer will be explored to incorporate improved alignment with health and other services.
- A programme of innovation and integration will be progressed to continue to join up between employment services and other services, including criminal justice, housing and mental health.
- Invest in improvement, innovation and user led employability sector collaborations.

While there is no defined approach set out by the Scottish Government on how they wish this model to be developed, it can be anticipated that the development of a new local Highland employability delivery model will require an inter-agency Project to be initiated, designed and resourced. It is envisaged that a local employability delivery model in Highland will require both a strategic and local response(s).

It is also recognised that in designing and delivering a new approach to employability services, this also crosses over to skills provision and thus links also with the new approach to skills provision as per the work of the Enterprise and Skills Strategic Board.

## Progress

Work has progressed at national and local levels, with Council represented / active on the national Alignment Group with the Scottish Government and meeting regularly with local Job Centre Plus and Skills Development Scotland colleagues to undertake complementary local actions. The aim during the Year 1 was to establish the new working arrangements for the replaced Activity Agreement and Scottish Employers Recruitment Incentive before progressing to a more comprehensive inter-agency partnership project, before organising for new funds (Parental Employment Support Fund).

Year 1 work was concluded and new arrangements put in place. During the year, the need for new arrangements became all the more urgent given the closure/withdrawal of local providers and while partnership work towards the establishment of the required inter-agency project commenced including Scottish Government Employability Directorate study visit to Highland.

It is envisaged that the local Highland employability delivery model offers the means by which services can be aligned, co-ordinated and delivered to maximise the national investment available and help those Highland citizens overcome the multiple barriers that stop them from securing work. If this opportunity is realised it effectively will deliver on an Inverness and Highland City-Region Deal commitment to align and co-ordinate employability services.

It is recognised that delivering on employability services and the development of an all age service, also will deliver elements of skills alignment and co-ordination of activity. Both aspects are currently being incorporated into the Highland Economic Recovery Partnership efforts going forward.



# 18 Air Access

## Inntrigeadh Adhair

Lead Organisation  
HITRANS

Funding  
N/A

The Inverness / Highland City-Region Deal has established the Highland Air Access Group to work on and promote:

- Connectivity of the region should recognise not just direct destination links with the region but is also a capacity, frequency and onward connections at destination airports;
- Reduction of entry barriers for new routes;
- Partnerships with airlines and airports on route development;
- Stimulation of demand through effective brand development;
- Understanding of State Aid rules are fully understood;
- Fitness for purpose of aviation facilities;
- Conscious partnering with air linked economies;
- Work to ensure that any connectivity benefit is spread more widely across the region; and
- Work to ensure that the direct, indirect, induced and catalytic benefits of aviation are optimised.

The recent focus of the partners' air access activities include:

- Making the case for continuing to have appropriate arrangements in place for all airports within the Highlands and Islands in respect to Air Passenger Duty and any potential successor arrangements;
- The development of best value options for the re-introduction of air services to Ashaig Aerodrome on the Isle of Skye; and
- Developing opportunities for the development of the Highlands and Islands towards the ambition of becoming Europe's first zero carbon aviation region.

# 19 Contacts

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City-Region Deal  
Cùmhnant Baile-Roinne

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