



City-Region Deal  
Cùmhnant Baile-Roinne

# INVERNESS AND HIGHLAND CITY-REGION DEAL

**ANNUAL REPORT 2018/19**

Aithisg Bhliadhnail 2018/19



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Follow this link to read the City-Region Deal Agreement:  
[City-Region Deal Document](#)

## AN INTRODUCTION FROM THE LEADER OF THE COUNCIL

I am pleased that there has been a real increase in momentum for the Inverness and Highland City-Region Deal this year. Projects are picking up pace and a number are delivering on the ground. I am greatly encouraged by the progress shown between the Council and its partners in exploiting the opportunities available within the City-Region Deal.

It is good to note that two of our early projects are complete. We are now monitoring delivery of the outcomes of the Wi-Fi and Tower Viewpoint projects instead of tracking project stages. This year the visitor numbers to the Tower have increased to 30,000 and the cumulative number of new users to the WiFi project is above 150,000.

Through the partnership the City-Region Deal, the UK Government, the Scottish Government, The Highland Council and their local partners will achieve sustainable and inclusive economic growth for the whole area. The City-Region Deal projects will create opportunities and synergies greater than the sum of their parts and support the development of the Highlands as a place that will attract, retain and develop talent.

Digital connectivity is vital for our communities and we have been unable to implement our City-Region Deal Digital project due to the need to align with the R100 Initiative. Using the City-Region Deal Partnership we have, however, secured Local Full Fibre Network (LFFN) funding (£4.3 m) to deliver Full Fibre Networks (LFFN) to Fort William, Wick, Thurso and Inverness with a massive further investment of full fibre to the premises to follow.

Now that the designs are agreed for the Longman Interchange and Eastlink we look forward to collaborating with colleagues from Transport Scotland to progress the Longman and the A96/A9 Inshes to Smithton projects.

We are now more confident than ever that investment through the City-Region Deal will increase the number of well paid jobs; retain and attract young people; and promote innovation, internationalisation and new partnerships across the region, indeed we are already starting to see it happen, as demonstrated in the remainder of this report.

*J. Davidson*



Inverness Fireworks from the Viewing Tower courtesy of HLH/Ewen Weatherspoon

## 2 CITY-REGION DEAL OVERVIEW

### Thar-sealladh air Cùmhnant Baile-Roinne

#### OVERVIEW

We are now into year three of the ten-year City-Region Deal. We believe we are on track to address the challenges currently facing the region, and to capitalise on its substantial opportunities and investments, including **£135m** invested from the Scottish Government and **£53m** 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 £800 m over a 20-year period in the region.

The Inverness and Highland City-Region Deal, through conversations with the Scottish and UK Governments and the Scottish Programme Management Group, appreciates the developmental nature of the deal. This means that we have a renewed focus on inclusive growth but also that we are starting to think about the impact of the City-Region Deal on health outcomes and place making.

#### 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 Society 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; and
- protecting and enhancing The Highland's influence and reputation nationally and internationally.



##### 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 (UHI) is the United Kingdom's leading an integrated university, encompassing further and higher education.



##### 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 well-being, and sustainable and inclusive economic growth.

A safe, efficient, effective and sustainable transport system is one of the key enablers of the Scottish Government's purpose.



##### Albyn Housing Society Limited

Albyn 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 support communities to thrive and to innovate to meet the challenges of the future.



##### HITRANS

HITRANS works 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.



## 2 CITY-REGION DEAL OVERVIEW CONTINUED

### Thar-sealladh air Cùmhnant Baile-Roinne

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 a 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

During the course of the next year we will invite representatives of Health and the Third Sector to become members of the Board.

This acknowledges the potential social impact of the Deal and will hopefully act to challenge us and our partners to think of the impact of the Deal in the round. In particular we have a number of life science related projects where we should look for support and counsel from health providers and we are interested in place making which must include the role of the third sector.

### INVESTMENT BREAKDOWN

Whilst this is the starting position, it is likely that the investment and funding will increase as further European and private sector money will be attracted. The table below contains Information on the funding of the projects.

PROJECT	UKG £'000	SG £'000	THC £'000	UHI £'000	HIE £'000	Albyn £'000	Total £
Deal Development Funding	100	0	0	0	0	0	100,000
School of Health & Life Sciences	9,000	0	0	0	0	0	9,000,000
Northern Innovation Hub**	11,000	0	0	0	5,000	0	16,000,000
Joint Digital Programme & WIFI	20,500	0	10,000	0	0	0	30,500,000
Land Remediation	10,000	0	0	0	0	0	10,000,000
Science Skills Academy	0	3,000	20	20	20	0	3,060,000
Innovative Assisted living	0	3,000	0	0	0	2,224	5,224,000
Inverness Castle**	2,400	15,000	15,300	0	60	0	32,860,000
Affordable housing	0	5,000	0	0	0	0	5,000,000
Inshes to Smithton & Longman	0	109,000	0	0	0	0	109,000,000
West Link and Inshes	0	0	64,356	0	0	0	64,356,000
Prudential Borrowing (Housing)	0	0	30,000	0	0	0	30,000,000
<b>Total</b>	<b>53,000</b>	<b>135,000</b>	<b>119,676</b>	<b>20</b>	<b>5,080</b>	<b>2,224</b>	<b>315,000,000</b>

\*HC Includes Inverness Common Good funding

\*\*Includes European Funding

\*\*\*Includes Lottery Funding

## 2 CITY-REGION DEAL OVERVIEW CONTINUED

### Thar-sealladh air Cùmhnant Baile-Roinne

#### 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 north 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 importantly, 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 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 of innovation.

##### **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 an area of such outstanding natural beauty, and one so rich in heritage (natural and cultural), 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, including the Northern Innovation Hub, the FIT House and the Life

Sciences Innovation Centre. What is particularly pleasing is the level of collaboration between these projects. The Inverness campus although not a City-Region Deal project is a place where some of this interaction is facilitated.

##### **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. These are all facets of place making which are echoed in the new Chair of Nano Technologies' comments below:

"In recent years I have been fascinated by the opportunities for nanotechnology and nanomaterials applied to medicine and healthcare. So much so that I have invested personally into projects including nanostructured antimicrobial materials and the application of photonics to biology via nanomaterials. In doing so I have long harboured the notion to find a home for such projects especially as I realised that my ambitions were far too large for the scale I was operating at. There were several routes forward including VC investment, large companies or potentially the right kind of academic position.

Over the past decade or so I have been in very close discussion with several universities concerning the possibility of setting up practical and useful research around the area of nanotechnology. These never came to fruition as I felt that some of the more traditional academic institutions had in some ways too much inertia to move in the directions I had targeted.

Several years ago, I was invited to UHI to discuss a potential grant application. I hadn't been to the Highlands for several decades and I have to admit when I got off the small aircraft when we landed in Inverness, the blue sky, fresh air and views as we drove into the city took my breath away. However, what impressed me most about that first visit to Inverness were the people I met at UHI, HIE and the NHS. I seemed to be forever surrounded by people keen to learn about my work and enthusiastic about their own work and the impact it would have.

This first visit to Inverness developed into a few more, meeting Ian Megson and Jeff Howarth. We came to the realisation that there was a great opportunity to combine my ambitions with those of the existing research at The Centre for Health Science, especially in Ian's department. What also stands out about UHI is the willingness to pull in whatever is required to make something happen. The scale and size of academic research in Inverness and the Highlands, and UHI are smaller than some other UK cities and institutions, and that is, in many ways, to our great advantage as we can shape ourselves rapidly in the ever-changing technology landscape. Also, taking advantage of the vast scale and industries over the large geographical area provides huge opportunities as research moves away from the traditional disciplines to the new challenges of climate change, environment, energy and healthcare. We, in the Highlands and islands, are perfectly poised to make a global impact in these developing sciences and I look forward to focussing my efforts here as a small part of UHI and the Highland's future."

**Alistair Kean (Chair of Nano Technology University of the Highlands and Islands)**

## 2 CITY-REGION DEAL OVERVIEW CONTINUED

### Thar-sealladh air Cùmhnant Baile-Roinne

#### THEMES SUPPORTED BY THE CITY-REGION DEAL PROJECTS

Project	Outcomes	Themes
Science Skills Academy	More young people taking STEM subjects and higher levels of attainment	<ul style="list-style-type: none"> <li>• Skills</li> <li>• Young people</li> <li>• Innovation</li> <li>• Digital</li> <li>• Life Science</li> <li>• Place Making</li> </ul>
Inverness Castle	Creating a world class visitor experience and attracting more visitors to stay longer	<ul style="list-style-type: none"> <li>• Tourism</li> <li>• Digital</li> <li>• Skills</li> <li>• Physical renewal</li> <li>• Place Making</li> </ul>
Affordable Housing	Enabling people and especially young people to live and work in the right places for them and the economy	<ul style="list-style-type: none"> <li>• Young People</li> <li>• Physical renewal</li> <li>• Inclusive Growth</li> <li>• Place Making</li> <li>• Physical renewal</li> </ul>
Innovative Assisted Living (FIT House)	Enabling vulnerable people to live in the community longer and safer and learning lessons of national importance from their experience	<ul style="list-style-type: none"> <li>• Innovation</li> <li>• Digital capability</li> <li>• Life Sciences</li> </ul>
Life Sciences Innovation Centre	New ways to support patients and in particular those in remote communities. Creating services, products and companies to grow the economy	<ul style="list-style-type: none"> <li>• Innovation</li> <li>• Digital Capability</li> <li>• Skills</li> <li>• Life Sciences</li> </ul>
Longman Land Remediation	To create land that can be used to support the economy	<ul style="list-style-type: none"> <li>• Physical renewal</li> <li>• Innovation</li> <li>• Place Making</li> </ul>
Northern Innovation Hub	To support and grow businesses to be more productive, modernise and ultimately provide more high value jobs in the highlands.	<ul style="list-style-type: none"> <li>• Innovation</li> <li>• Skills</li> <li>• Digital Capability</li> <li>• Young People</li> <li>• Tourism</li> <li>• Life Sciences</li> </ul>
Digital	To provide the connectivity required to shorten distances and enable the digitisation of the Highlands	<ul style="list-style-type: none"> <li>• Innovation</li> <li>• Skills</li> <li>• Digital Capability</li> <li>• Young People</li> <li>• Life Sciences</li> </ul>
Longman Interchange and East Link, West Link and Inshes	To reduce journey times, connect the Highlands and deliver development land	<ul style="list-style-type: none"> <li>• Physical Renewal</li> <li>• Tourism</li> <li>• Connected</li> </ul>
Air Access	To ensure the Highlands is as connected as possible in terms of air travel	<ul style="list-style-type: none"> <li>• Tourism</li> <li>• Connected</li> </ul>
Skills and Employability	To ensure those who are currently furthest away from employment are not left further behind and indeed are encouraged into work and given the skills to succeed	<ul style="list-style-type: none"> <li>• Skills</li> <li>• Young People</li> <li>• Innovation</li> </ul>

# 3 GEOGRAPHICAL OVERVIEW

## Thar-sealladh 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 7<sup>th</sup> highest population of the 32 authorities in Scotland. The total land area, including all islands, at low water, is 26,484 square kilometres. 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 Mainland Scotland).

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.

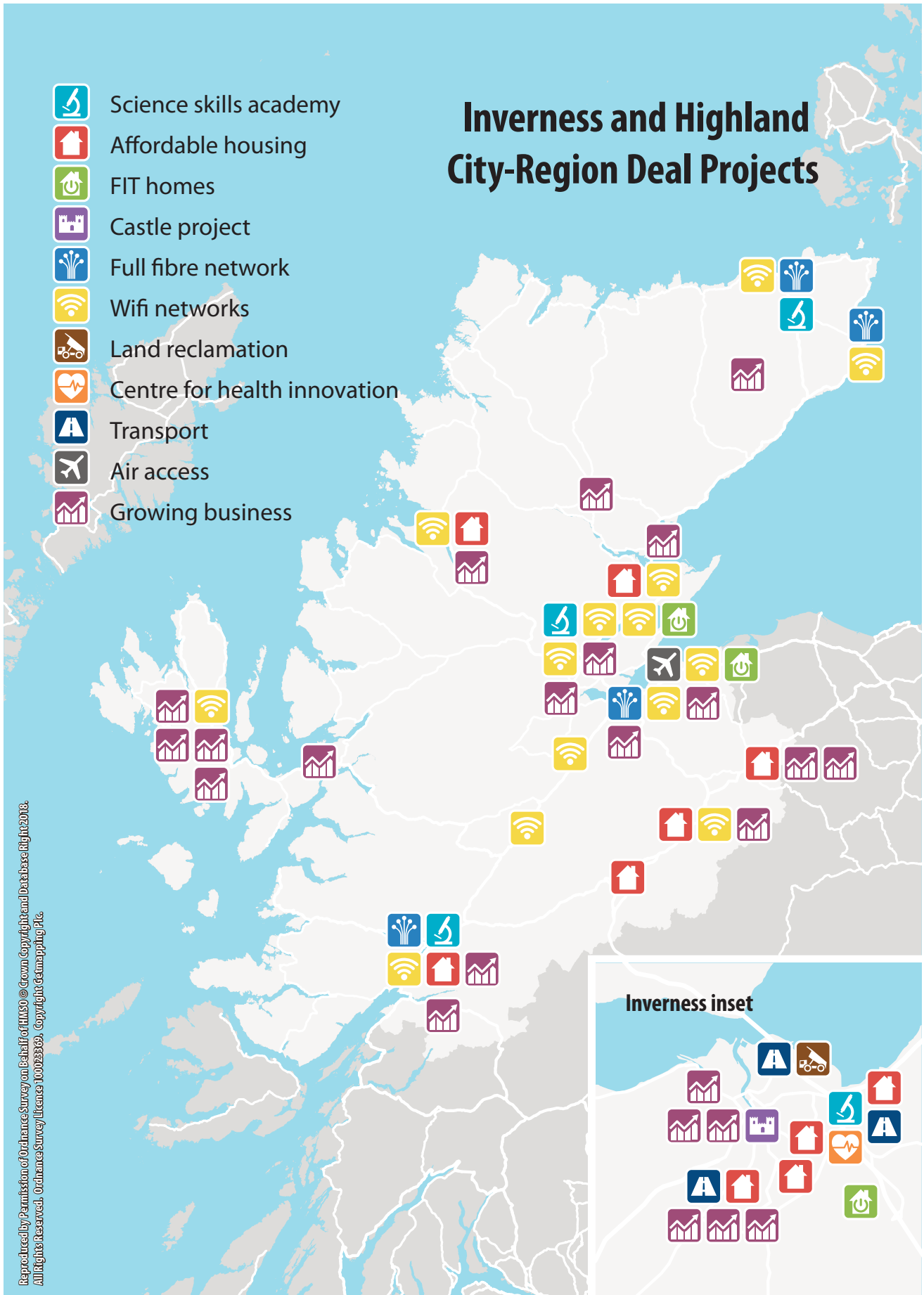
Results from the 2011 census show that the population of the Highlands on census day was 232,132, increasing to 235,180 in mid 2017. Since 1996, the population of the Highlands has increased by 12.5%. This is the 7<sup>th</sup> highest percentage change out of the 32 council areas in Scotland. Over the 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 reflects the role of Inverness as the economic engine for a large area of the Highlands. However the map at Fig :1 on the next page, shows a wide dispersion of the projects throughout The Highland Council area.



# 3 GEOGRAPHICAL OVERVIEW CONTINUED

Thar-sealladh Cruinn-eòlasach



## 4 FINANCIAL STATEMENT

### Aithris Ionmhasail

The table below provides an overview of the spend for 2018/19 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.

INVERNESS AND HIGHLAND CITY- REGION DEAL 2017-18 FINANCIAL SUMMARY	A	B	C
	Spend 2018-19	Spend to end of FY 18-19	Total Funding Awarded*
PROJECT	£	£	£
Deal Development Funding	35,121	174,762	200,000
Life Sciences Innovation Centre	583,207	651,086	9,000,000
Northern Innovation Hub	712,064	748,352	11,000,000
Joint Digital Programme	0	0	20,000,000
Land Remediation	79,446	202,812	10,000,000
Wifi and Tower	257,467	**1,758,076	1,538,000
Science Skills Academy	115,158	273,432	3,000,000
Innovative Assisted Living	281,135	281,135	3,000,000
Inverness Castle	1,723,993	2,106,717	16,362,000
Affordable Housing	684,160	684,160	5,000,000
<b>TOTAL</b>	<b>4,471,751</b>	<b>6,937,889</b>	<b>79,100,000</b>

\*this excludes £109m of Scottish Government funding being provided to Transport Scotland.

\*\*Total includes match funding.

# 5 GOVERNANCE AND ACCOUNTABILITY

## Aithris Ionmhasail

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 attached below.

Central to the governance arrangements is a Programme Board, to which the lead officer for each specific project reports. The Board is attended by the lead officers for each project, a representative from The Highland Council's Finance Service, a representative from the business community and representatives from the Scottish and UK Governments. The Board is chaired by The Highland Council's Director of Development and Infrastructure.

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.

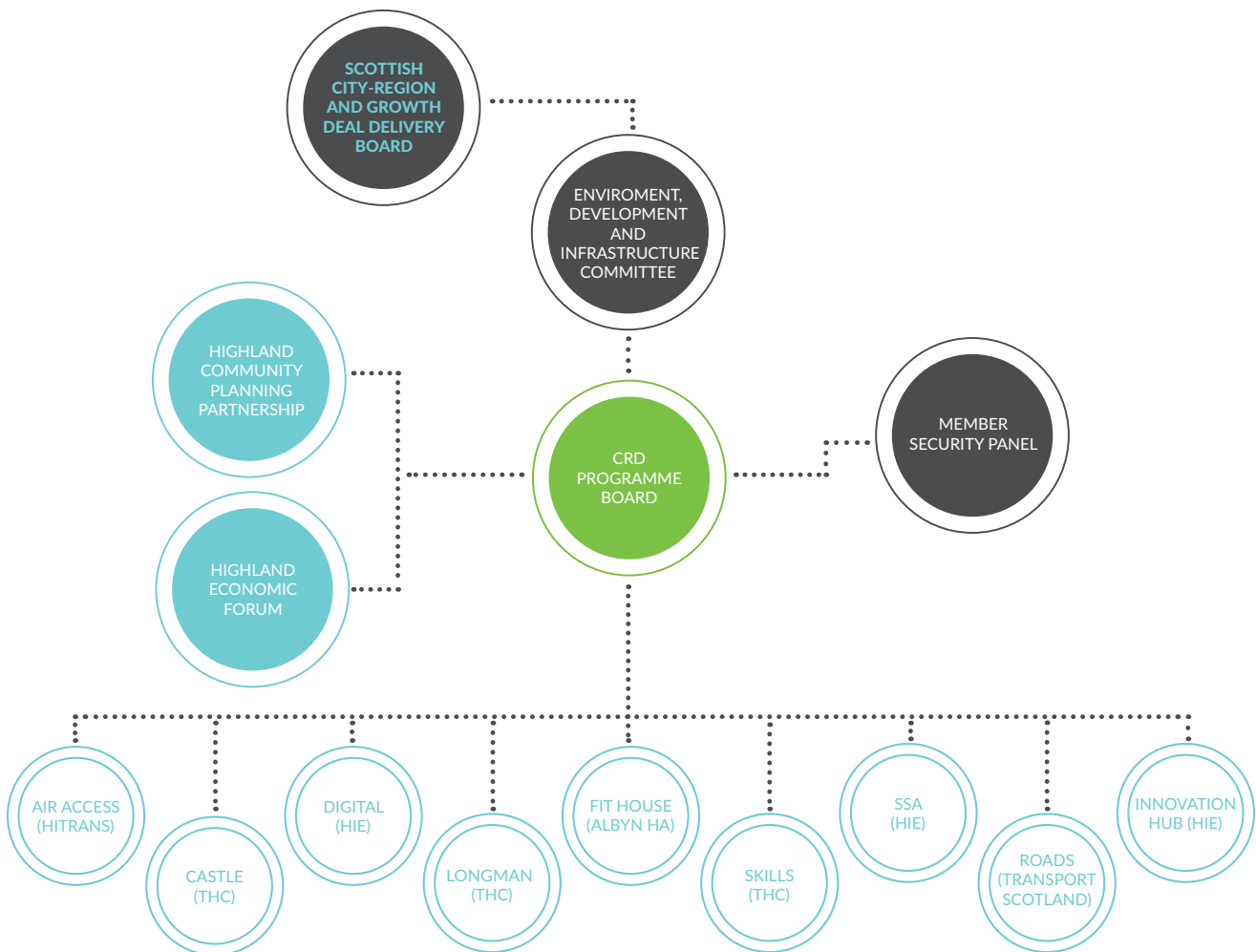
Following an internal audit of the City-Region Deal, the Council's Audit and Scrutiny Committee, on 27 March 2019, received a

report which suggested areas for improvement with respect to the governance of the City-Region Deal. The Director of Development and Infrastructure and Programme Manager agreed with these recommendations and consequently the following actions were taken:

- once agreed, the Annual Report for the Inverness and Highland City-Region Deal is presented to the Full Council;
- a quarterly progress update is provided to each Environment, Development and Infrastructure Committee (EDI), based on the report provided to the Scottish and UK Governments; and
- membership of the Member led monitoring group will be widened to include the Chair and Vice Chair of Audit and Scrutiny, the Chair and one of the Vice Chairs of EDI.

These create a better alignment with the City-Region Deal's schedules of reporting and provide a greater level of scrutiny for a wider group of Councillors than previously was the case.

In addition to these improvements, additional resource has been provided from the Council in support of reporting and also particularly with respect to financial reporting. It is believed that this has improved reporting and transparency for Government colleagues.



# 6 OVERVIEW OF PROJECT PROGRESS

## Thar-sealladh air Pròiseactan 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 18/19, in this section recent concerns and developments are included in determining the RAG status.

PROJECT	LAST RAG	RAG	COMMENTARY
Inverness Castle	G	G	The Inverness Castle project is now part of a programme of redevelopment. Whilst the core of the Castle project remains the same it has been necessary to ensure a strategic fit and to ensure any aspirations can be matched with funding.
Castle Viewpoint	G	C	This project is now concluded
Northern Innovation Hub	G	G	This project has been RAG’d green both for 17/18 and 18/19. Staffing shortages need to be addressed, as well as checks to see if the direction of travel is correct to ensure the project stays on track.
Life Sciences Innovation Centre	G	A	Affordability concerns based on construction pricing have moved this project to amber.
Digital	R	R	This project remains red. Conclusion of the tendering for R100 should provide a mechanism for partners to determine firm proposals.
Wi-Fi	G	C	This project is now concluded
Science Skills Academy	A	G	Pace has picked up on this project, spend is accelerating and outcomes are being delivered.
Fit House	A	A	The amber RAG previously was because it was felt that the project management capacity needed to be increased. This was done, and risks and issues are being dealt with systematically. Sites are identified, and it is believed progress will accelerate.
Affordable housing	A	A	Whilst delivery is good, and outcomes are accruing the project is RAG’d as amber because of the ongoing risk of available sites. Smaller sites are being considered but these can have high proportionate unit costs.
Longman Land Reclamation	G	A	This project is on amber because of the need to better link the plans for the Longman Interchange and the Longman remediation projects. Recent conversations are encouraging regarding the need to work collaboratively.
Transport Infrastructure (Transport Scotland)	G	A	There had been a lack of information provided about these projects, and concerns about the level of tie in with the City-Region Deal. Recent meetings have been more encouraging.
Transport Infrastructure HC	G	G	Progress is good Phase 1 is complete and delivering outcomes and Phase 2 is progressing well.
Employability and Skills	A	A	After several false starts there appears to be a greater level of collaboration nationally and locally and more traction around projects. This is not enough, yet, to move it off amber but continued progress could achieve this.
Air Access	G	G	This project has largely been overtaken by events and in terms of the watching brief. The opportunity has been taken however to use the group to look at development opportunities within air access to the region.

# 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. £2,500,000

PROJECT LEAD  
Fiona Hampton



Castle Viewtower – Courtesy of Ewan Weatherspoon

The Viewpoint for the Castle was the first completed project for the Inverness and Highland City-Region Deal and acts as a standard bearer. During the development of the Castle buildings, the Inverness Castle Viewpoint will remain open for visitors. During the second year of opening, April 2018 to March 2019, there were over 29,000 visitors to this site.

### PROGRESS

The initial stage of the project saw LDN Architects delivering the project masterplan, including identification and exploration of development opportunities within the site. The masterplan proposals incorporate the uses outlined in the project vision, including an international-standard visitor attraction, museum and gallery facilities, public space and potential for private commercial development.

At the same time, Leisure Development Partners (LDP) was commissioned to carry out a market and feasibility study for leisure and entertainment at the Inverness Castle site, and Scottish Futures Trust (SFT) prepared an outline financial feasibility report. Further market testing is being carried out by SFT to determine a financial approach that meets the project brief. Scottish Development International also engaged in terms of market feasibility for the hotel sector.

### HIGHLIGHTS AND OUTCOMES

An announcement in May 2019 confirmed the award of the contract for architect services for the next stage of the project to LDN Architects, and for creative design for the project to Creative Services (Scotland).

The information provided by LDN, LDP, SFT and others in the early stages is now contributing to the development of the project, and determining the phasing and timescales involved. The first phase is dependent on Scottish Court and Tribunal Service (SCTS) moving to their new Justice Centre by mid-2020.

The UK Government has confirmed that their funding for phases 2 and 3 can be managed within overarching Castle project. An announcement by the National Lottery Heritage Fund in January regarding the future nature of their funding provision has led to follow up meetings to determine eligibility and requirements for applications to their fund.

The Creative Director has begun a programme of meetings with organisations and individuals concerned with the content of the north and south towers of the Castle. In recognition of the progress outlined, an engagement plan has been developed and is being implemented.

In summary, the Inverness Castle project is progressing through the preparation and brief stage, and is on track to finalise the concept design before the end of this calendar year. At this stage, funding is in place to complete the transformation of the north and south towers.

### INCLUSIVE GROWTH

As it is such a prominent and multi-faceted project for the City-Region Deal, the Castle project will work with the Equalities and Human Rights Commission to ensure that developments are inclusive, from the physical renewal, to the development of staff and the messages that are portrayed to visitors and residents.

### ADDITIONALITY

It is early days but the Castle Project is already evolving from the original intention of developing the Castle following the departure of the Courts and Tribunal Service, into a transformative programme for the City of Inverness and the wider Highlands. The value of the development and consequential benefits are likely to be much higher than those originally envisaged.



Courtesy of Ewan Weatherspoon

# 8 NORTHERN INNOVATION HUB



Highlands and Islands Enterprise  
Iomairt na Gàidhealtachd 's nan Eilean

## Co-ionad Ùr-ghnàthachais a' Chinn a Tuath

LEAD ORGANISATION  
Highlands and Islands Enterprise

FUNDING  
UK Gov. £11m

PROJECT LEAD  
Steven Hutcheon (Interim)



### PROGRESS

The Northern Innovation Hub (NIH) builds on and accelerates current business innovation support services in the region, enabling an increased focus on sectoral

opportunities which will build global competitive advantage. It is not a physical hub; instead it is a coherent grouping of projects designed to benefit small and emerging businesses.

Progress remains steady, despite staff shortages, delays to the Food and Drink business case and the Tourism Leaders project.

- a revised business case for the food and drink centre was submitted in January 2019 and received final approval in April 2019.
- nine individual projects have now been launched and are delivering outputs.
- on track to get a further four projects up and running by the end of 2019/20.
- some of the programmes have been under-subscribed and we are working with individual contractors on boosting numbers.
- the new Nexus facility was successfully launched to coincide with National Coworking Day on 6<sup>th</sup> June 2019 at a well-attended business breakfast.

### HIGHLIGHTS AND OUTCOMES

- impact30 is being delivered by Anderson, Anderson and Brown, and is attracting a great diversity of young business leaders across Highland. The second cohort launched in the spring with 12 businesses participating. A third cohort is due to commence in October.
- code Clan won the Coding Academy contract and has now established Code Clan Highlands in Inverness. Recruitment is underway for the first cohort due to commence in the autumn.
- two Impact30 and one Pathfinder participant were finalists in the Highland Business Women Awards 2019 – Cecilia Grigor of Planit Scotland collected the award for Most Enterprising Business.
- pathfinder Accelerator is in its third cohort and a fourth will commence in the autumn. To date 20 Life Sciences and Technology businesses have benefited from the programme.
- NHS Market Ready has delivered support to four businesses under a pilot programme, which is currently being evaluated.
- our Global Markets and Business Insights programme Tune into Tourism has to date delivered a series of 14 video podcasts / webinars / online chats with more planned over the coming months, 109 businesses have taken part so far.



Theresa Swayne Senior Development Manager at the Launch of CodeClan in The Highland – Courtesy of Ewan Weatherspoon

- XpoNorth Digital half Day Workshop on engaging with audiences through digital platforms, delivered to six Highland businesses as a fringe event.
- NEXUS tenant businesses have collectively taken on six young graduates since its launch.

### INCLUSIVE GROWTH

Programmes have reached out to the wider Highland Council area – to date there have been two beneficiaries from Caithness and Sutherland, and five 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. Four social enterprises have participated in the Pathfinder Accelerator so far and we have agreed a target of at least one per cohort.

### CASE STUDIES

Harry Gow Bakery has employed Andrew Jones, a business and management graduate, through the Northern Innovation Hub's Technology Placement programme.

Andrew graduated from the University of the Highlands and Islands. As process improvement co-ordinator, for the Inverness based business, he is introducing new cutting-edge algorithm software to analyse sales on a level greater than ever before and provide real time product demand predictions. It is hoped the state of the art approach will reduce waste and help the bakery save tens of thousands of pounds a year.

Andrew says: "Our new system will help streamline our production while reducing waste by monitoring our daily sales data over a 6-week period. There is huge potential here to help both our margins and the environment at the same time."

## 8 NORTHERN INNOVATION HUB CONTINUED

### Co-ionad Ùr-ghnàthachais a' Chinn a Tuath



Courtesy of Ewan Weatherspoon

The Technology Placement programme pairs businesses with talented graduates and students to complete a project that supports business growth. Fifth-generation baker and Harry Gow Director, Fraser Gow, believes the software represents an exciting opportunity to help the bakery's impact on the environment.

*"Not only can we improve our environmental impact but also our bottom line by maximising our sales. It's a win-win. Even if we only save 1% of turnover on ingredients that's tens of thousands of pounds that'll go straight to the bottom line. The full potential of the technology is unknown, but the savings are potentially huge.*

*"Andrew's experience from his years of working in the manufacturing industry and his university learning has been of immense benefit to us."*

### ADDITIONALITY

- the first joint networking event will be held in September, bringing Impact30 and Pathfinder cohorts and alumni together. This is an opportunity we are looking to roll out to other programme beneficiaries in the future.
- funding from NIH has added significant value to the impacts of the XpoNorth Annual Conference. This additional resource allows us to capitalise on speakers' time and extend their reach to wider audiences beyond the conference itself.
- many of our programme participants have gone on to enjoy further HIE support including entrepreneurship, innovation and account management. We are also signposting to our partner support organisations such as Interface and SMAS. NIH has joined with HIE's Innovation and Entrepreneurship teams, working with Dynam marketing agency, to ensure commonality and cohesion around the marketing and promotion of these programmes.
- delivery of the Adventure Tourism Mountain Biking project will help ensure the region, and Scotland, provides attractive itineraries for growing mountain bike markets, delivers a world class level of service to visitors, encourages innovation within businesses, maximises the impact of hosting international level events such as the UCI Cycling World Championships in 2023, and will ensure the mountain bike community is better integrated and more well-equipped to improve the sustainability of mountain bike trails.
- £1.3 million ERDF funding has added value and impacts to the overall programme.



Courtesy of Ewan Weatherspoon

## Ionad Ùr-ghnàthachaidh Saidheansan Beatha Oilthigh na Gàidhealtachd agus nan Eilean

**LEAD ORGANISATION**  
University of the Highlands and Islands

**FUNDING**  
UK Gov. £9m

**PROJECT LEAD**  
Fiona Larg

### PROGRESS

The University has completed the recruitment of PhD students (NHS Highland allied health professionals and nurses), a second cohort of clinical secondments, medical physics support and a Professor of Medical Nanotechnology. Health economics and eHealth support have not been sourced yet but will be procured for specific projects when required.

A proposed new facility on Inverness Campus will be expanded thanks to the European Regional Development Fund. This capital project is going through challenges in its programme, with slower progress than anticipated around the development agreement and design. The construction is expected to be completed by winter 2020. There is intensive collaboration with Highlands and Islands Enterprise and NHS Highland to ensure the overall development remains within budget and timescales.

### HIGHLIGHTS AND OUTCOMES



Courtesy of h20 Creative Communications Ltd

Engagement with industry in life sciences and research colleagues has been very positive this past year, leading to just under 100 innovation ideas being discussed, including seven projects countable as City-Region Deal outputs.

This includes an antibody-based therapy for liver cancer, percutaneous coronary intervention monitoring to facilitate accelerated patient discharge; validating decontamination systems

to help reduce hospital-acquired infection; establishing a canine cancer registry to improve disease prevention and care; user-led design of a digital health technology for improving dementia care; evaluation of a chronic obstructive pulmonary disease self-management tool for NHS Highland; and post-stroke atrial fibrillation monitoring to facilitate appropriate anti-coagulant therapy. Medical nanotechnology has now become a new research and innovation theme, thanks to the recruitment of Professor Alistair Kean who will lead world-leading research and engagement with businesses in this arena.

### INCLUSIVE GROWTH – HEALTH IMPACTS

The twin goals for the Centre for Health Innovation 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 that which supports people.

### CASE STUDIES

#### Anticancer therapy nominated for Deal of the Year award

Liver cancer is amongst the most common tumours worldwide, with approximately 800,000 new cases diagnosed each year. Most people are diagnosed with advanced disease, which typically carries a 9% five-year survival rate. A University of the Highlands and Islands research identified a novel role for naturally occurring antibodies in treating liver and other cancers. Specifically, *in vitro* studies established that natural antibodies present in plasma isolated from healthy donors can deliver increased tumour killing activity.

This project will establish the clinical utility of screening anticancer antibodies in plasma and developing natural antibody-based therapies to treat advanced liver cancer. This involves screening a large number of healthy donor blood samples for the presence of natural anti-cancer antibodies. Once identified, samples with high levels of natural antibodies will be purified and pooled for use as a novel therapy in ongoing clinical trials taking place in China.

The university signed an agreement to licence the technology to Qingdao Hailanshen Biotechnology, the Chinese company which has supported the clinical trials over the last three years. The company will conduct further trials to allow the therapy to be approved for use across China. The importance of this development has resulted in this project being selected as a finalist in the Deal of Year for the PraxisAuril Knowledge Exchange Awards.





# 9 UNIVERSITY OF THE HIGHLANDS AND ISLANDS LIFE SCIENCES INNOVATION CENTRE CONTINUED

Ionad Ùr-ghnàthachaidh Saidheansan Beatha Oilthigh na Gàidhealtachd agus nan Eilean

## CASE STUDIES CONTINUED

### Aseptium is joining forces with the university to analyse the effectiveness of its products

Ineffective decontamination of surgical instruments is considered a major cause of hospital-acquired infection affecting up to 10% of patients and is responsible for 5,000 deaths costing the NHS over £1 billion each year. Despite this, there is little data on the efficacy of decontamination systems and a lack of standardised validation practices. The need for independent, standardised monitoring is therefore essential to improve patient outcomes and reduce healthcare costs.

This proposal will compare novel Aseptium decontamination technologies against washing systems currently in use throughout the NHS. Researchers within the University of the Highlands and Islands will perform independent cleaning efficiency analysis to detect surgical contamination products using advanced instrumentation including liquid chromatography-tandem mass spectrometry.

This project will promote collaboration amongst Inverness Campus stakeholders, highlight regional healthcare innovation activity, and support Aseptium marketing and business development activities. It may also help determine the efficacy of decontamination systems used by the NHS, potentially resulting in reduced hospital acquired infections.



Courtesy of Alison White Photography

## ADDITIONALITY

The major additionality component is the ERDF funding (£3.75m) to expand the proposed new elective care centre on Inverness Campus allowing the university to expand its medical nanotechnology capabilities and to extend those facilities within the building dedicated to engagement with industry. The expansion of the building, with additional scientific equipment, will enable the university to enhance the project portfolio involving industry partners.



# 10 DIGITAL AND WIFI

## Didseatach agus Wi-Fi



Highlands and Islands Enterprise  
Iomairt na Gàidhealtachd 's nan Eilean

LEAD ORGANISATION  
Highlands and Islands Enterprise

FUNDING  
UK Gov. £20.5m

PROJECT LEAD  
Stuart Robertson

### PROGRESS

Digital remains the most difficult of the Inverness and Highland City-Region projects. To date, none of the funding has been used due to the overlap with the Reaching 100% (R100) programme which is still in procurement, and the Local Full Fibre Network project which is not yet in build. A business case will be developed to use a proportion of funding for fibre networks in the major settlements and the remainder to provide high speed connections in the Highlands.

Both strands of the project will bring improved digital connectivity to rural areas or small towns. Using the CRD funding as an addition to the initial R100 bid (in whatever form) will ensure that the outcomes are truly additional to the core R100 funding.

### COMPLETION OF THE WIFI PROJECT

The Wi-Fi project was the second of the Inverness and Highland City-Region Deal to conclude. It has provided free WiFi to Inverness and another 14 settlements in The Highland Council area. It is predominantly used by local people and tourists supporting the Tourism theme within the Deal.

### HIGHLIGHTS AND OUTCOMES

Cumulative Users:

NessWiFi (Inverness)	115,951
HighFI (other settlements)	38,700

- 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' Smartcities maturity.



### ADDITIONALITY

As The Highland Council, Highlands and Islands Enterprise and other partners had already formed a partnership to work on the strategic case for the City-Region Deal Digital Project, looking at the economic and societal benefits it could bring to the area, they were well placed to submit a bid for Local Full Fibre Network (LFFN) money from the UK Government.

The bid was successful and has resulted in a project to introduce full fibre networks into 4 of the largest settlements in the Highlands, supporting E- health initiatives, University of the Highlands initiatives, as well as supporting economic development and social inclusion.

The project partners include: Scottish Natural Heritage, NHS Highland, Highland Council, the University of the Highlands and Islands and Highland and Island Enterprise. The resulting Digital Project Board provides not only governance for the LFF project but plays a role in the digital leadership for the Highland and Islands, bringing the necessary human capital together.

# 11 SCIENCE SKILLS ACADEMY (STEM)



Highlands and Islands Enterprise  
Iomairt na Gàidhealtachd 's nan Eilean

## Acadamaidh Sgilean Saidheans

LEAD ORGANISATION  
Highlands and Islands Enterprise

FUNDING  
UK Gov. £3m

PROJECT LEAD  
Emma Robertson



### PROGRESS

The Thurso Newton Room was opened on the 25<sup>th</sup> March by The Minister for Further Education, Higher Education and Science, Richard Lochhead MSP. The Fort William Newton Room was opened by The Minister for Public Finance and Digital Economy, MSP Kate Forbes MSP on 2<sup>nd</sup> April.

Following an options appraisal, it has been agreed to site the third Newton Room at Dingwall Old Town Hall. An added bonus for using this venue is the part it can play in the regeneration of Dingwall High Street. A local steering group has been set up. It is hoped to open this room late 2019 / early 2020, with further Newton Rooms in Wester Ross and Inverness following in early-mid 2020.

Recruitment for the Newton Room staff has begun, with interviews taking place in mid-July. It is hoped to have staff in place in Thurso and Fort William for the start of the new school year in August 2019, with a staff member for Inverness and Dingwall being recruited in October 2019.

The Science Skills Academy (STEM) Engagement Manager, who was appointed in March 2019, along with the other core team members, has been delivering taster sessions to primary and secondary schools focusing on 'Robotics & Mathematics' and

'Electricity & Renewables'. These have taken place in both the Thurso and Fort William Newton Rooms. The feedback from participants and teachers has been very positive. Both Rooms are now nearly fully booked for the first term of the new school year. Further modules are being developed that focus on health science and the life cycle of salmon.

Press coverage of the opening of the Thurso and Fort William Newton Rooms and the decision to site the third Newton Room in the Dingwall Old Town Hall has been extensive and positive.

### HIGHLIGHTS AND OUTCOMES

In the three months since the rooms first opened, there have been over 1,000 STEM engagements with individuals. Feedback from schools has been excellent and school staff are genuinely excited about the opportunities the Newton Rooms can provide for their pupils – evidenced by their enthusiasm for booking sessions for next term.

It is becoming increasingly obvious that the SSA collaborative programme and the Newton Room network is a remarkably cost-effective way of enabling a paradigm shift in the delivery of outstanding STEM education. There is growing interest from other parts of Scotland and the rest of the United Kingdom.

# 11 SCIENCE SKILLS ACADEMY (STEM) CONTINUED

## Acadamaidh Sgilean Saidheans



### INCLUSIVE GROWTH

The emphasis of the Science Skills Academy (SSA) is on equitable access to high quality STEM education for the more remote parts of the Highlands and Islands, therefore, the first rooms are serving a wide geographical region beyond Inverness and the Inner Moray Firth. There has been good engagement with the more remote schools, such as the Ardnamurchan Associated School Group and the Small Isles Schools. The project will build on this with the forthcoming establishment of rooms in Wester Ross and Dingwall that are accessible for schools in the West and North-West Highlands.

STEM engagement events. These will be complementary to the Newton modules delivered in Newton Rooms.

The Newton Rooms are also proving to be a magnet for those delivering professional development courses for teachers. The SSA has helped to facilitate bioinformatics sessions for teachers delivered by the University of Edinburgh and, next session, the Newton Rooms will be hosting professional development sessions for primary school staff delivered by the University of Glasgow and the Primary Science Development Officers. The rooms are also being used to support Developing the Young Workforce events in Thurso and Fort William.

### CASE STUDIES

#### Thurso High School

All seven S1 science classes from Thurso High School attended taster sessions in 'robotics & mathematics' over three days in May. Anecdotal feedback from the pupils and accompanying staff was fantastic and we look forward to welcoming them back for full days of activities next session. When the Newton room modules start properly qualitative feedback from sessions will be captured. These sessions highlighted the SSA approach of ensuring high quality STEM experiences are delivered to every single pupil in a year group – no one should be left out.

#### **Hazel Starbuck the teacher a Canisbay Primary School, based on their visit to the Newton Room for a Robotics and Mathematics Taster session.**

*"It was a fantastic workshop and really focussed the pupils in on working together as a team, putting their problem solving skills to the test. I liked how the pupils were given some basic information, asked to go away and work on finding out the rotations, and then when brought back together, further suggestions were given on how they could accurately try to work out the circumference. It really encouraged them to practise their investigation skills using the range of materials provided and persevere until they had found the best solution. They absolutely loved the robots and technology aspect that was included. As soon as we left the building they were asking when are we going back again! They cannot wait for the next opportunity to visit".*

### ADDITIONALITY

As a direct consequence of the opening of Newton Rooms and the presence of the SSA programme, Aberdeen Science Centre will be basing staff in Highland to deliver family and community

# 12 FIT HOMES

## Taigh Fiot

**LEAD ORGANISATION**  
Albyn Housing Society Ltd

**FUNDING**  
UK Gov. £5m

**PROJECT LEAD**  
Lucy Fraser

### PROGRESS

Significant progress has been made on the development of the Fit Homes digital solution, building on the prototype system already developed and deployed. We are now working with partners to develop the capacity and robustness of the solution, with a view to increasing its scope and supporting development of products to be commercialised through a new social business.

In collaboration with NHS Highland and the University of the Highlands & Islands, three co-production workshops have been held, involving residents and other stakeholders, over the course of the year, using these to narrow down and prioritise the core features that will provide value to residents, families, carers and health professionals. These workshops also offered opportunities to consider issues such as accessibility and usability of the solution, data security and data sharing. We now have a short-list of essential and desirable features to build on during the next phase.

Various factors contributed to the delay in making progress on the new build Fit Home properties, however momentum was gained towards the end of the year as planning issues in relation to the Nairn site were nearing resolution and progress was made on acquisition of a site for military veterans in Inverness. Construction is expected to begin on both these sites during 2019-20, with completion in 2020-21. Momentum was also gained in identification of the remaining sites with positive progress made with stakeholders in several locations, in particular, in the north Highlands.

### HIGHLIGHTS AND OUTCOMES

The first prototype predictive algorithm (aimed at predicting the increased risk of falls) has been completed. Initial outputs are very encouraging, providing a strong basis to build on as we develop this aspect of the digital solution. Our PhD student has made progress on developing the flexibility of our prototype and future predictive algorithms for retro-fit in homes with different layouts. The team is also in discussion with NG Homes, Glasgow Health & Social Care Partnership, the British Heart Foundation and a local GP about establishing a research test bed in Possilpark, Glasgow, with a focus on predicting cardio-vascular diseases.

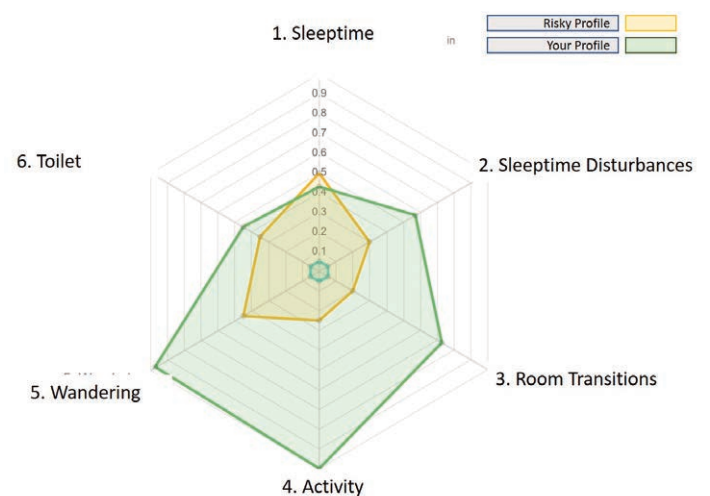
The project is in advanced discussions with the University of Edinburgh about transfer of the Fit Homes database to the EPCC and working in collaboration with the Edinburgh and South Scotland City Region Deal funded Data Driven Innovation programme to develop the data storage and management for scale. During discussions with the University of Edinburgh it was discovered that there was a shared objective to develop a new Internet of Things hub, the on-site device that collects data from sensors then processes and relays it to where it needs to go off-site. Scoping of joint development of this device with support from Censis is taking place.



We continue discussion with a range of potential partners about testing emerging sensor technology in the Fit Homes, exploring methods of measuring walking speed and key physiological indicators via ambient sensors. Our PhD student is also exploring novel application of wi-fi technology as a super-sensor in the homes.

### INCLUSIVE GROWTH

The goal of this project is about helping people stay in their own homes and as part of the community for the longest possible time. The developments in services and technology will be commercialised through a not for profit arms length organisation for Albyn and the surplus used to fund further developments and the provision of services.



## 12 FIT HOMES CONTINUED

### Taigh Fiot

#### CASE STUDIES

Two of the residents of Dalmore Scheme have provided testimony as to the benefits of the project below:

**Marilyn Forbes:**

*"The move to my FIT Home has allowed me to continue to live independently in my own community. My life is now so different, I am no longer isolated, and feel happy and safe in my home. When I moved in I felt like I was on holiday, and that feeling has never left me!"*

**Sheila Sharkey:**

*"At first, I felt that my move to the FIT Home had been the wrong decision, but a year later I am loving my home and garden. Both are easy to look after and perfect for my little dog. Being able to park right next to my home has allowed me to continue driving and able to get out and about. I feel settled and secure and love the peace and quiet of the courtyard, and my potted plants and flowers make my home complete."*

#### ADDITIONALITY

Building on the City-Region Deal investment, the project has been successful in attracting another round of funding through the Social Innovation Fund to support our first retro-fit pilot which is

being progressed during 2019-20. We are in discussion with other housing providers about the potential to locate these in sheltered or supported housing in Nairn, which would enable 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.

Using our first award from the Social Innovation Fund, we have completed exploratory research into the technical and organisational challenges and opportunities associated with creating this data link and how the NHS might make best use of the data. We are working with the co-located GP surgery, hospital and social care base in Nairn on this element of the project.

In response to continuing interest, we are also in the process of expanding the Fit Homes technology test bed to other parts of the Scotland and the north of England, testing application of the concept in different contexts with a different innovation focus in each area. Other potential locations include the Wirral, Glasgow and Edinburgh.

# 13 AFFORDABLE HOUSING

## Taigheadas aig Prìs Reusanta

**LEAD ORGANISATION**  
Highland Council

**FUNDING**  
Scot Gov. £5m

**PROJECT LEAD**  
Allan Maguire

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 201 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 35 new Mid-Market Rent (MMR) opportunities within Alness, Ardgay, Drumnadrochit, Inverness and Munloch. A further 41 units are due to be completed by 31st March 2020, with additional projects either on site or currently being worked up as identified within the

adopted Strategic Housing Investment Plan (SHIP). The tables below show the sites developed and to be developed since 17/18.

### 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.

Project	2017/18	Units
Inverness, Glendoe Terrace		10
Inverness, Raining's Stairs		10
Drumnadrochit		5
Inverness, Balvonie		9
Ullapool		6
Lochyside		6
Inverness, Balloan Road		6
Munloch, Cameron Crescent		6
		<b>Total 8</b>

Project	2018/19	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 56</b>

Project	2019/20	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 87</b>

## 13 AFFORDABLE HOUSING CONTINUED

### Taigheadas aig Prìs Reusanta

#### ULLAPOOL



The Glenfield housing development in Ullapool is an excellent example of collaborative and partnership working. This key site in Ullapool was a derelict eyesore on a prominent location as an entrance to the village from the North. Following prolonged negotiations, The Highland Council purchased the former hotel, working in partnership with a local developer who purchased the adjacent adjoining land. The two parcels of land were then amalgamated, and a development proposal drawn up for a new mixed tenure development of forty nine homes.

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

The development team worked with the local community and statutory authorities to tackle the significant site servicing difficulties on the site to develop a high quality development to meet the housing shortage for local people who have been priced out of the housing market because of pressures of the increased second and holiday home market on the west coast. There has been no significant development in Ullapool for some time, and this development has delivered a variety of housing tenures on a key, formerly derelict site.

#### RAINING'S STAIRS INVERNESS

The Raining's Stairs development is in the centre of the city, directly opposite Inverness Castle. The development which was completed in October 2018 has reinvigorated this important part of Inverness; replacing a long-vacant 'problem' site with a building of significant architectural quality, delivering transformational benefits to the community. The development has delivered 6 homes for social rent by the Council and 10 for mid-market rent by the Highland Housing Alliance.

Not only is this project delivering much needed affordable homes targeted to young people, but it has regenerated a derelict area. The project has been recognised as an innovative housing project by many prestigious organisations, being voted the best UK small residential project by Inside Housing Magazine and winning awards from RIBA and Scottish Civic Trust and being commended by the Saltire Society.

#### Melissa Kirby - Raining's Close

*"Since moving into one of the Apartments at Raining's Close I feel as if I have been given a new lease of life. The apartment is so spacious inside and with stunning views over the Castle, Kessock Bridge and on a clear day, Ardersier.*

*With the open plan living room and kitchen, it gives a very spacious and modern feel to the apartment. The apartment is very economical with the ecodan system which keeps bills at a minimum. I couldn't thank HHA enough for this amazing apartment and life changing opportunity to live, and hopefully buy, such a spectacular apartment."*

#### DRUMNADROCHIT



The Benleva development in Drumnadrochit became a viable project once a significant element of infrastructure had been installed by the developer. As this involved the creation of a roundabout on a trunk road, a large cost was associated with this at the start of the project. Availability of funding from The Highland Council allowed this to happen and therefore open the site up.

Albyn Housing Society developed 15 homes for a mixture of shared equity and social rent. The Highland Housing Alliance, working in partnership with Albyn Housing Society developed five homes for Mid-market rent. The 20 home development as the initial phase of a larger development in Drumnadrochit which will see delivery of homes for sale on the open market. Use of materials such as stone on the house elevations and a wall around part of the site created a design which was very typical of homes in the area. The homes allocated via the Highland Housing Alliance were allocated to local families who live and work in the are.



## 13 AFFORDABLE HOUSING CONTINUED

### Taigheadas aig Prìs Reusanta

#### GLENDOE, INVERNESS



This development is home to one of the most significant regeneration projects within the Highlands. The site was the former location of a local authority social work building and a builders yard, which was heavily contaminated due to previous uses. The Highland Council was the main driver in pushing redevelopment of this site to both eradicate contamination and create homes within this high demand area.

The design of the site ensured connection to the nearby open green areas, play park and school. The street design incorporated art work created by pupils from the nearby school as part of a designated Safe Routes to School.

Demand for MMR was high and the homes were allocated to young families who wished to remain in the area, or return to the area for both work and family reasons.

Funding from City-Region Deal has ensured that this vacant derelict site has been transformed into a well-designed development with homes which capitalise on the surrounding area and facilities as well as taking advantage of the views which many of the homes benefit from.

#### ARDGAY

This project is in partnership with the Kyle of Sutherland Development Trust providing a range of affordable homes and commercial facilities in a fragile rural community. The site is in a prominent location in the village formerly occupied by a disused hotel. The 4 affordable homes were completed in June 2019, including 2 Mid-market properties targeted to young people. Delivery of mid-market schemes can be challenging in rural communities but is an important mechanism to enable the economically active to remain in the community when owner occupation is not an option.

#### DALMORE, ALNESS PHASES 4 AND 5

Mid-market rent has been a key tenure to create diversity on a site which will deliver 200 homes in total. Phases 4 and 5 will deliver 12 Mid-market rent homes alongside Shared equity, Social Rent and a number of homes for outright sale. Mid-market rent has provided the ability to really diversify the tenure on a large site to cater for the broadest economic group. Phase 4 is due to complete in October 2019 and Phase 5 at the end of 2020.

# 14 LONGMAN REMEDIATION

## Ath-bhuannachd Talmhainn an Longman

LEAD ORGANISATION  
Highland Council

FUNDING  
UK Gov.

PROJECT LEAD  
£10m Allan Maguire



### 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.

This will enable 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 initial contract, for intrusive site investigation works to fully assess the levels of contamination and remediation works required, has been carried out and discussed with SEPA. Further site investigation works have been completed and are

currently being carried for a further report to be submitted to SEPA in July 2019 hopefully getting an in principle agreement by September 2019.

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.



## Bun-structar Còmhdhalach (Còmhdhail Alba)

LEAD ORGANISATION  
**Transport Scotland**

FUNDING  
**Scot Gov. £109m**

PROJECT LEAD  
**Amy Phillips**

### A9/A96 INSHES TO SMITHTON LINK ROAD

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.

### PROGRESS

Transport Scotland carries out a rigorous assessment process to establish the preferred option for a road project. 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 Design Manual for Roads and Bridges (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 October and 1 November 2017;
- further public events were held on 16 and 17 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;
- development and assessment of the preferred option (DMRB Stage 3 assessment) remains ongoing with a view to publishing draft Orders for the scheme later in 2019 for formal comment; and
- progress 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.

The preferred route option with variant B was confirmed as the line of the scheme to be taken forward further. This will include 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 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 between Raigmore Interchange and Inshes Junction to assist merging and diverging traffic. It will also provide enhanced facilities for cyclists and pedestrians. This includes 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.

Further information is available on the Transport Scotland website <https://www.transport.gov.scot/publication/public-drop-in-session-materials-may-2018-a9a96-inshes-to-smithton/>

### NEXT STEPS

Progress 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. This will become clearer after publication of draft Orders in 2019. 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 Link Road scheme is located to the East of Inverness and will enable a significant area of development land. The scheme is also interdependent with



Looking south across scheme from A96 Smithton Junction

Inshes Phase 2 road scheme which is being progressed by The Highland Council and the programme of both schemes will require to be aligned. Transport Scotland has been working closely and collaboratively with The Highland Council throughout the development of the scheme and will continue to do so.

# 15 TRANSPORT INFRASTRUCTURE (TRANSPORT SCOTLAND) CONTINUED

## Bun-structar Còmhdhalach (Còmhdhail Alba)



### 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

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. 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. Progress to date include:

- 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; and
- preferred Option (Option 1 – comprising of a grade separated junction with the A9 passing over the A82) presented at Public Exhibitions on 25 and 26 June 2019.

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 hyperlink:

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

### NEXT STEPS

The preferred option will now be 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 assessment will take approximately a further 15-18 months to complete with a view to publishing draft orders in 2020 for formal comment. Forthcoming detailed ground investigation work will help inform the development of the design.

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.

# 16 TRANSPORT INFRASTRUCTURE (HIGHLAND COUNCIL)

## Bun-structar Còmhdhalach (Comhairle na Gàidhealtachd)

LEAD ORGANISATION  
Highland Council

FUNDING  
THC. £64.3m

PROJECT LEAD  
Colin Howell



### WEST LINK

The West Link Project will allow the continued 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.
- a tandem bridge arrangement will maintain traffic flow across the canal, improving 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.
- provision of a new facility at Canal Parks, managed by Highlife Highland, for Highland Rugby Club and the wider community, and
- a reconfiguration of the Torvean Golf Course, with enhanced facilities, golf development potential and a new public park.

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



# 16 TRANSPORT INFRASTRUCTURE (HIGHLAND COUNCIL)

## Bun-structar Còmhdhalach (Comhairle na Gàidhealtachd)



This commenced on site in June of this year 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
- works in canal (bridge foundations/wharf/service crossings/etc) – In canal working period from November 2019 until March 2020

### INSHES JUNCTION

This will address existing and future traffic congestion issues and is also being designed in co-ordination with the East Link as part of The City-Region Deal via Transport Scotland. This will also improve pedestrian and cycle provision through a very difficult junction. This work will include:

- interrogation of traffic model outputs to allow the best design to be sought.
- discussions to finalise the option for the Dell of Inshes access.
- the 2D design of the mainline being refined to bring in line with standards and to integrate with the supplementary topographical survey recently undertaken.
- suitable paths and connections being incorporated into the design to ensure pedestrians and cyclists are accommodated.
- the proposed Beechwood access being ready to be submitted for planning.

## Cosnadh agus Sgilean

LEAD ORGANISATION  
Highland Council

FUNDING  
N/A

PROJECT LEAD  
Andy McCann

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 December 2018 a partnership working framework was agreed. This set out core principles and the establishment of two governance/leadership groups – one strategic and one operational. This coincided with the publication of the Scottish Government's No One Left Behind: Review of Employability Services. This review identified 6 actions:

1. A new local employability delivery model will be managed collaboratively between Scottish Government and local government from April 2019.
2. 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.
3. 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.
4. A national all-age employment support offer will be explored to incorporate improved alignment with health and other services.
5. 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.
6. 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).

## 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 new approach will be rolled out over the coming years, with Year 1 actions directed to Activity Agreement and SERI funding schemes and early efforts focused on shaping new grant award and activity plans.

### To this end the Council has:

- in consultation with partners, completed a review, redesign and launched a new grant scheme to target (via partner referral processes) disengaged individuals with multiple barriers to employment, who are already securing support but whose next step to employment will be aided by an incentive to business to create the job/recruit. The Highland Employment Recruitment Offer (HERO) is part funded by Scottish Government, Highland Council and European Structural Fund; and
- held a partner service review, involving public and third sector providers, of the Youth Employment Pathway. This work – still in progress – will seek to give all an agreed pathway around which multiple services from different providers can be designed/ aligned from a user perspective.

This new approach seeks to capitalise on existing partnership activity which is ongoing and will be fed into the initiation, design and resourcing of an inter-agency local Highland employability delivery model.

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.

# 18 AIR ACCESS

## Inntrigeadh Adhair

LEAD ORGANISATION  
HITRANS

FUNDING  
N/A

PROJECT LEAD  
Ranald Robertson

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

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;
2. Reduction of entry barriers for new routes;
3. Partnerships with airlines and airports on route development;
4. Stimulation of demand through effective brand development;
5. Understanding of State Aid rules are fully understood;
6. Fitness for purpose of aviation facilities;
7. Conscious partnering with air linked economies;
8. Work to ensure that any connectivity benefit is spread more widely across the region; and
9. 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:

- the development of best value options for the re-introduction of air services to Ashaig Aerodrome on the Isle of Skye;
- 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;
- engaging with the Department for Transport on the development of the UK Aviation Strategy to ensure the region's voice is heard in the development of that important policy document and developing a robust Highlands and Islands submission to the Green Paper consultation; and
- securing the extension of the Air Discount Scheme for business use and student travel.



# 19 CONTACTS

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City-Region Deal  
Cùmhnant Baile-Roinne