

Agenda Item	<b>8</b>
Report No	<b>ECI/29/20</b>

## HIGHLAND COUNCIL

**Committee:** Economy and Infrastructure

**Date:** 4 November 2020

**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 Members with an update on the Inverness and Highland City-Region Deal. We are in year four of the programme and the pace and scope of delivery continues to increase.
- 1.2 Highlights of progress include:
- A9/A96 Smithton interchange consultation completed
  - Fit Home build programme restarts
  - Castle hoardings and enablement works commenced
  - New affordable homes developments commencing
- 1.3 Projects continue to adapt to the challenges of the Covid-19 pandemic and upcoming Brexit. Projects have updated their project timelines and costings. The Northern Innovation Hub continues to compile its review of the original deliverables and the Life Science build awaits revised costings.

### 2. Recommendations

- 2.1 Members are asked to note progress with the Inverness and Highland City-Region Deal during 2020.

### 3. Implications

- 3.1 Resource - There are no resource issues arising because of this report.
- 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 - There are no climate change or Carbon Clever related issues arising from this report.

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 are 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 A9/A96 Inshes to Smithton Scheme**

Public exhibitions were held in Raigmore and Smithton during September to give members of the public and other stakeholders an opportunity to see details of the proposals. As the formal consultation period is now concluded Transport Scotland is currently considering the representations made and where possible is working to resolve objections.

##### **5.3 Inverness Castle**

The enabling works began on 5 October with new hoardings, illustrations and weblinks. Landscape architects have been developing initial concept designs in line with the designs for phase 1 and the creative content around the 'Spirit of the Highlands in 100 stories'.

##### **5.4 UHI Life Sciences Innovation Centre**

There is overall programme slippage of about three months in the capital project. Following a value engineering exercise to reduce the preliminary construction costings, it has led to a reduction in footprint without impacting functionality. Further design, and cost work is awaited to ensure budget constraints will be met.

##### **5.5 Innovative Assisted Living (Fit Home)**

Albyn Housing Society Board has agreed to re-start its development programme. A mid-project review is underway to refresh and refine the project aims and objectives.

##### **5.6 Affordable Housing**

Projects which have recently started on-site recently are Blar Mor Fort William, Castle Street, Inverness and Stratton, Inverness, a total of 38 units. Negotiations are

currently underway for a further 21 units in Inverness, Kingussie and Kincaig.

## 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 Finance Service, representatives from the business community, 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 8 October 2020

6.2 A Members' City-Region Deal Monitoring Group also monitors progress, and this met on 19 October 2020.

## 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 next major milestone for government reporting is the Annual Report ahead of the Annual Conversation in December with Scottish and UK Governments. This report will also be brought to Committee when complete.

## 7 Programme Level Risks

### 7.1 The Covid-19 pandemic – Appendix 2

7.1.1 Projects have been affected to varying degrees by the Covid-19 pandemic. There are three broad areas of 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 need of the region.

7.1.2 Project teams have reported back known impacts so far and these are summarised in the table of **Appendix 2**. Some projects have reported delays directly due to Covid typically of 3 to 4 months and those projects are seeking to mitigate as far as possible. Additionally, there are anticipated cost increases for some projects though again these may be low, and mitigation is being sought.

7.1.3 The main focus of attention on Covid impacts is the Northern Innovation Hub which is conducting a review of its deliverables in light of changes to working practices due to Covid. The review will determine the best way to spend the remaining budget to meet the agreed deliverables. This is an extensive review with all partners and customers and will report back in early 2021.

7.1.4 Ongoing conversations are also taking place with Scottish and UK Government

representatives on a frequent basis to keep these bodies fully informed and understand what flexibilities might be available.

## 7.2 Digital

7.2.1 The Digital project remains a risk in the programme. This project is heavily aligned with the R100 project. Following settlement of the legal challenge, the R100 project contract is expected to be signed by the end of December, however this has severely impacted the Digital element of the City Region Deal. These delays will cause a minimum of 12 months further delay to the R100 project and the deployment of fast broadband to Highland communities and businesses. It is hoped that the delay will create an opportunity to review the R100 deployment to increase the amount of fibre connections directly to premises rather than nearby street cabinets which would ultimately provide better speeds and service to communities and businesses.

7.2.2 The Project team, Programme office and Leader of the Council have engaged in a series of meetings with BT; the Minister for Energy, Connectivity and the Islands; The Office for Digital Connectivity; and Government City-Region Deal Officers emphasising the importance of the R100 project and the City-Region Deal Digital project to the Highland economy. Regular Project Boards closely manage developments. The project team will urgently review the revised programme of works from Openreach due end of December and will then work on designing how this fund might be repurposed to still deliver the desired benefits. Progress will be reported at the next Committee and Monitoring Group.

7.3 **UHI Life Sciences Innovation Centre** - Cost estimates for the build have continued to rise. To reduce costs, the footprint has been reduced without impacting functionality. In addition, the strategy is to pursue cost savings to keep within the budget envelope in order to mitigate future construction cost increase risks. The project team is urgently challenging the design and costing consultants to revise plans with more economical design and material specifications in order to manage costs.

## 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	£12,595,353
20/21	£8,660,256
21/22	£16,771,584
22/23	£21,098,968
23/24	£13,721,622
24/25	£5,171,291
25/26	£980,926
<b>Total</b>	<b>£79,000,000</b>

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

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

Designation: Executive Chief Officer Infrastructure and Environment

Date: 14 October 2020

Author: Felix McGunnigle, City-Region Deal Programme Manager

**Project Updates**  
**INVERNESS CASTLE**

**APPENDIX 1**

The Scottish Government has confirmed funding of a new Justice centre in Inverness providing an opportunity to create a must-see attraction that innovatively celebrates the spirit of the Highlands: its creativity, culture, heritage and landscape. The attraction 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.

<b>RAG</b>  <b>G</b>	<b>LAST RAG</b>  <b>G</b>	<p>Despite the Covid-19 outbreak, the project remains on programme and on budget, with Design Development Stage (RIBA Stage 4) under way, Current estimated costs are in line with budget allocations. Statutory applications planned for have gone ahead as scheduled. Approval for the award of the contract for the enabling works was received and work begins on 5th October. The focus of attention will now be on preparing the design specification for the main construction contract.</p> <p>In addition, the landscape architects (OPEN) have been developing initial concept designs in line with the designs for phase 1 and the creative content around the ‘Spirit of the Highlands in 100 stories’.</p> <p>In relation to the content development, work has been focused on the following six areas:</p> <ul style="list-style-type: none"> <li>a) Reviewing the potential relationship with a possible visitor attraction partner to design and operate the North Tower as a discreet element of the overall visitor attraction;</li> <li>b) Progressing the process of gathering and curating stories that will be used as the basis of the interpretive content - ‘Spirit of the Highlands in 100 Stories’;</li> <li>c) Continuing to assess the nature and scale of the retail and food and beverage elements in relation to the overall offer, within the Outline Business Case process;</li> <li>d) Development of content ideas for the landscaping with OPEN and LDN around the stories theme;</li> <li>e) Scoping the professional design requirements and process for phase 1;</li> <li>f) Developing initial proposals for phase 2 that will be complementary to phase 1.</li> </ul> <p><b>Mitigating Action: The project is at a stage where it is possible to design in physical and operational requirements/ best practice to ensure visitor safety from COVID-19 (or other similar situations) whilst providing an enjoyable experience.</b></p>		
Lead Organisation	Highlife Highland	Project Lead	Fiona Hampton	
Business Case	Part Business Case approved			
Benefits Commenced	No			
Next key milestones	Task	Comment		Date
	Design Development			08/05/2020
	Tender Action			30/04/2021

## AFFORDABLE HOUSING

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.

<b>RAG</b>	<b>LAST RAG</b>	<p>The first units were completed in October 2018 at Raining Stairs, Inverness. The total number of units approved to date is 255 new homes. Further projects which have recently started recently are Blar Mor Fort William, Castle Street, Inverness and Stratton, Inverness, a total of 38 units. We are currently negotiating a further 21 units at Union Street, Inverness, Kingussie and Kinbraig.</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>		
<b>G</b>	<b>G</b>			
Lead Organisation	Highland Council	Project Lead	Allan Maguire	
Business Case	Full Case Approved			
Benefits Commenced	Yes			
Next key Milestones	Task	Comment		Date
	Dalnain Bridge	Tender Received		30/09/2020
	Aviemore Burnside	On Site restart		31/10/2020
	Academy Street Inverness	On Site restart		30/11/2020

## LAND RECLAMATION

To ensure that there is sufficient land supply to enable Inverness and the Highlands to expand its economic activity and productivity by bringing into use large brownfield contaminated sites. To carry out remediation and site servicing works to release a strategic site to the market to meet the needs of both small and medium size businesses and the needs of larger inward investment companies.

<b>RAG</b>	<b>Last RAG</b>	<p>This project is reliant on the Longman Interchange project and close liaison will be required. Although, in the terms of the overall CRD programme, the delays are manageable the general lack of progress has moved this project to amber.</p> <p>The Highland Council is working closely with Transport Scotland to co-ordinate activities and share information in relation to the Longman interchange proposals. Further discussions are on-going with SEPA to clarify landfill “safe” with regards to human health for the surrender</p> <p>Further discussions are required 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><b>Action: Further discussions with SEPA and Transport Scotland</b></p>		
<b>G</b>	<b>A</b>			
Lead Organisation	Highland Council	Project Lead	Allan Maguire	
Business Case	Part Business Case approved			
Benefits Commenced	No			
Next Key Milestones	Task	Comment		Date
	End of initial Investigations	Because the inter-relationship between remediation activity SEPA licence and Longman Interchange site boundaries will change and further investigations will be needed		TBC
	SEPA In principle approval			31/03/19
	Further Site investigations	For full business case - Will need to align with Longman Interchange work		30/03/20

## NORTHERN INNOVATION HUB

The Northern Innovation Hub will be delivered by Highlands & Islands Enterprise (HIE) in partnership with The Highland Council. It is designed to catalyse and transform levels of business innovation across the region, through a series of carefully targeted initiatives which combine to form a powerful driver of change

<b>RAG</b>	<b>LAST RAG</b>	<p><u>Projects:</u>            Young People and Technology: Technology Placement Programme has continued to receive an increase in applications during this quarter with a total of 6 received; of which 5 have been approved, 1 is in the early stages. These opportunities are promoted on the HIE website. A new marketing campaign is being discussed internally to further boost interest, using past and current placements as examples.            IMPACT30 recruited 20 individuals on to Cohort 4, which commenced in August 2020. We are in discussions regarding a proposed 5<sup>th</sup> Cohort to be rolled out across the HIE region with additional funding from HIE (subject to approval). The Coding Academy delayed the commencement of Cohort 3 to October 2020. The training provider CodeClan has utilised a virtual learning environment for delivery.            Life Sciences: Pathfinder Accelerator has completed its 5<sup>th</sup> Cohort with 6 businesses taking part. Due to COVID-19 restrictions, the entire programme was delivered digitally. As ever the programme culminated in a “dragons’ den” style event, however on this occasion it was held online. A sixth cohort is due to commence in Autumn. Additional funding has been secured from HIE to roll the programme across the entire Highlands and Islands, and will again be delivered digitally, with a digital products and services theme.            NEXUS series of webinars is increasing momentum, with 7 events delivered so far and a total 262 attendees.            Creative Industries: The XpoNorth Digital project continues to produce a specialist suite of support which firmly sits in the space where creative businesses face the most challenges as a result of the pandemic. There has been a particular focus on the repackaging of assets which respond to disruption and more fully services new and emerging consumer demands. There continues to be a strong requirement to adapt with increased agility, augment value propositions and expedite R&amp;D. XpoNorth Digital has supported over 50 businesses to date with specialist advice, and many more have engaged in light touch activities such as attending events and webinars.            Tourism: Both Tune into Tourism (TINTO) and Digital Tourism Think Tank (DTTT) progressing well. We are planning 4 more episodes of the ‘Road to Recovery’ podcast for release throughout November, these have so far been well received and we hope to continue to grow the number of Highland businesses engaging with TINTO. DTTT has been invaluable for DMO’s throughout the COVID pandemic, weekly international phone calls have provided an excellent platform for Highland based destinations to share, learn and compare with destinations internationally. We are currently reviewing the remaining 2 strands of the Digital Tourism programme.            Food &amp; Drink: Highland Food and Drink Innovation Network continues to connect with businesses. Focus for last few months has been on signposting to other support and funding.  <b>Mitigating Action: Projects continue to be delivered through the use of digital technology. A project review of Innovation hub will report in early 2021.</b></p>			
<b>G</b>	<b>G</b>	Lead Organisation	Highland Council	Project Lead	Claire Munro
		Business Case	Full Case Approved		
		Benefits Commenced	No		
		Next Key Milestones	Task	Comment	Date

	Adventure Tourism contract awarded	Contract awarded Jan 2020 to BTS in association with Lochaber Chamber of Commerce	31/8/2020
	Contract awarded for Food and Drink Technology Centre	Review of original proposal underway	30/12/2020
	Next Generation Programme & second phase of Network	Dependant on the completion of technology centre	30/03/2022

## LIFE SCIENCES INNOVATION CENTRE

The investment will establish, a custom-built facility, with the academic, clinical and commercialisation capacity to deliver a pipeline of commercialisable projects in life sciences, and to take these projects to the point of exploitation and uptake, either in new products, new services, start-ups and licensing deals, or in clinical delivery quality improvements and new models of delivery. The facility will be co-located with a new NHS elective care and primary care centre on the new multi-disciplinary Inverness Campus.

<b>RAG</b>  <b>A</b>	<b>LAST RAG</b>  <b>A</b>	<p>Overall programme slippage in Capital project of about three months since the last report. A value engineering exercise took place to reduce the preliminary construction costings, leading to a reduction in footprint without impacting functionality. The strategy is to pursue cost savings to be under the budget envelope in order to mitigate future construction cost increase risks.</p> <p>The aim is to publish the invitation to tender for the building contractor by the end of October 2020 for a contractor to be in place by early 2021. The Development Agreement with Highlands and Islands Enterprise for the Life Sciences Innovation Centre is progressing with a view to have it signed by the end of 2020.</p> <p>Determination on the Planning application is due by 16 October 2020 (Matters Specified in Conditions). A second change request for ERDF will be made when the design is complete, and the constructions costings are more accurate.</p> <p><b>Action: Urgent review with design consultants over the design and specification of the building</b></p>		
Lead Organisation	UHI	Project Lead	Ian Megson	
Business Case	Full Case Approved			
Benefits Commenced	Yes			
Next key Milestones	Task	Comment		Date
	First phase legal agreements complete	New MoU with HIE to be signed by HIE. Development Agreement to be completed prior to the appointment of the building contractor.		31/12/2020
	Final outcome of design stage and appointment of building contractor	Fully costed-out technical design delivered (RIBA 4). Appointment of building contractor complete.		15/10/2020
	Site work commences	On site work starts, including clearing land, layout and on-site logistics.		01/02/2021

## SCIENCE SKILLS ACADEMY (STEM)

The project aims to redress the shortage of skills that are related to Science, Technology, Engineering, Mathematics and Digital (STEM) disciplines. The Science Skills Academy (SSA) is a long term, innovative and ambitious programme. It will help to raise attainment in these disciplines and increase the proportion of indigenous young people who are able to take advantage of the growing opportunities in life sciences, renewable energy and digital technologies.

<b>RAG</b>	<b>LAST RAG</b>	<p>Newton Rooms: Refurbishment works on the Dingwall Newton Room have completed and the room has now been handed over to the SSA. Once safe work conditions have been put in place, the Dingwall STEM Engagement Officer (SEO) will be able to access the room and set it up ready for when schools are given permission to visit. The SSA is progressing several options for a host-site for the Inverness Newton Room. The preferred location is at Inverness Campus and, with support from HIE, a custom-built self-contained Newton Room will be included in an options appraisal. Other options being investigated include a self-contained Newton Room situated adjacent to the Botanic Gardens, in association with High Life Highland, as well as short-term options such as renting a vacant Highland Council property or the UHI STEM Hub. Conversations are progressing with HIE's property and campus teams, with regards to the financial details associated with a Newton Room at Inverness Campus. In the meantime, Newton Module activities were being delivered to Inverness schools at temporary premises from August 2019-March 2020. The delivery team are on stand-by, to start delivering as soon as schools are permitted to either have SEOs visit them at school (to deliver outdoor learning activities) or visit the Newton Room network. Any decisions regarding delivery will be made in association with the Highland Council (THC) and will follow health and safety guidelines.</p>		
<b>G</b>	<b>G</b>			
Lead Organisation	Highlands and Islands Enterprise	Project Lead	Emma Robertson	
Business Case	Full Case Approved			
Benefits Commenced	Yes			
Next key Milestones	Task	Comment		Date
	Dingwall Newton Room (NR) Opens	Dingwall NR has been handed over to the SSA; finer details of Inverness Campus NR still to be addressed but Newton Modules currently delivered in interim locations; Pop-up NR to be trialled for Portree & Plockton Schools but delayed due to COVID-19		30/08/2020
	Develop SSA STEM Strategy	SRO has written current version SSA STEM Strategy. PM has linked SSA goals to Scottish Government STEM Strategy. Highlands & Islands Regional STEM Partnership has decided to postpone writing their STEM Strategy and instead focus on COVID-19 response		13/08/2020
	SSA Core & Delivery Team Employed	Permanent Project Coordinator role to be approved & recruited – recruitment freeze at HIE and THC as result of COVID-19; Sixth SEO yet to be recruited – due to implications on delivery as a result of COVID-19 the SSA is monitoring on a regular basis the requirement for an additional SEO at this stage. Recruitment for maternity cover for the Fort William SEO will commence imminently		31/12/2020

## INNOVATIVE ASSISTED LIVING (FIT HOME)

The project will create cost-effective design-led homes. It will include technology including innovative software that may prevent hospital admissions, predict health events and monitor the physiology of tenants. We will build robust innovative response systems to react to data produced from this technology.

<b>RAG</b>	<b>LAST RAG</b>	<p>Key progress:</p> <ul style="list-style-type: none"> <li>Albyn Housing Society 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.</li> <li>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 when project activity resumes.</li> </ul> <p>Construction:</p> <p>Albyn has now resumed development and is subject to Board agreement, critical actions:</p> <ul style="list-style-type: none"> <li>Dingwall (11), Castle Park now mobilised completion April 2022.</li> <li>Lairg (4), community advised of costs which are challenging due to site conditions, on site January 2021, completion October 2021.</li> <li>Stratton Farm (8) – subject to planning and agreeing terms with Highland Council – completion July 2022</li> <li>Nairn (10) – Planning appeal submitted July 2020 –outcome expected 3-6 months which will dictate project start</li> <li>Tongue (4) – Wildlands to report back on discussions with Highland Council and NHS.</li> </ul> <p>Technology and Commercialisation:</p> <p>Nairn technology retro-fit report has been finalised and sent to the Scottish Government. PhD student continuing research into deploying analytics in the retro-fit context, a potential approach to prediction of cardio-vascular diseases and use of WIFI as a ‘supersensor’.</p> <p><b>Mitigating Action: All sites are now identified with a clear plan in place for delivery.</b></p>		
<b>A</b>	<b>A</b>			
Lead Organisation	Albyn Housing Society limited.	Project Lead	Lucy Fraser	
Business Case	Full Case Approved			
Benefits Commenced	Yes			
Next key Milestones	Task	Comment		Date
	Tongue	Being developed as co-location project with NHS Highland with assistance of Wildland.		31/10/2020
	Lairg: planning permission	Community advised of costs which are challenging due to site conditions (4 units).		01/11/2020
	Nairn planning permission	Await outcome of planning appeal for Cawdor Road Nairn – estimate 3-6 months’ time.		30/01/2021

## DIGITAL ACTION PLAN

To deliver a digitally capable region and stimulate economic growth.

<b>RAG</b>	<b>LAST RAG</b>	<p>A preferred bidder for R100 North Lot was chosen in November 2019 and following recent settlement of the legal challenge by the unsuccessful bidder of this work, the contract is expected to be signed by the end of December. When signed, the contract will be amended to bring the intervention area up to date. Once this has been completed and BT 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> <p><b>Action: The project team will urgently review the revised programme of works from Openreach due end of December and will then work on designing how this fund might be repurposed.</b></p>		
<b>R</b>	<b>R</b>			
Lead Organisation	Highlands and Islands Enterprise	Project Lead	Stuart Robertson	
Business Case	No			
Benefits Commenced	No			
Next Key Milestones	Task	Comment		Date
	Confirm a City-Region Deal Intervention Area at a premises level.	Extent of R100 coverage expected to be known during Q4 2020/2021		31/03/2021
	Reach mutually acceptable plan for use of funding	Working with UK and Scottish City Deal Teams and R100 Project Team to agree a mutually acceptable way forward.		31/03/2021

## AIR ACCESS

Air connectivity of the region should recognise direct destination links with the region but is also a capacity, frequency and onward connections at destination airports; whilst reducing entry barriers for new routes.

<b>RAG</b>	<b>LAST RAG</b>	This project has largely been overtaking by events. A watching brief and broad policy objective of sustaining air access and routes remains		
<b>G</b>	<b>G</b>			
Lead Organisation	Hitrans	Project Lead	Ranald Robertson	
Business Case	N/A			
Benefits Commenced	No			
Finance	N/A			
Next key milestone	Task	Comment		Date
	Skye Routes	The development of best value options for the re-introduction of air services to Ashaig Aerodrome on the Isle of Skye.		Ongoing
	Highlands and Islands Exemption	Developing the case for the Highlands and Islands exemption to be built into and expanded on in any new Air.		Ongoing
	Departure Tax	Arrangements developed through the Scotland Act powers.		Ongoing

## EMPLOYABILITY AND SKILLS

The Inverness and Highland Region City Region Deal committed the Council together with the UK and Scottish Governments, to bring forward pilot initiatives and new approaches to the delivery of skills and training.

<b>RAG</b>	<b>LAST RAG</b>	Work has progressed at national and local levels, with Council represented/active on the national Alignment Group with Scottish Government and meeting regularly with local Job Centres and SDS colleagues to undertake complementary local actions. Year 1 was concluded, and new arrangements put in place. During year 1, 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, work stalled with the onset of the COVID-19 crisis.		
<b>A</b>	<b>A</b>			
Lead Organisation	Highland Council	Project Lead	Andy McCann	
Business Case	N/A			
Benefits Commenced	No			
Next Key Milestones	Task	Comment		Date
	ESF Funding secured	Secure ESF extension funding for Council and Third Sector employability activity		TBC
	Employability Framework providers appointed	Procurement exercise completed for employability service providers		TBC
	2019/20 Offer Letter and Activity Template	Highland Employability Service (new Local Employability Model collaboration) requires year 1 grant offer to be received and resultant activity plan to be completed.		TBC

## LONGMAN JUNCTION and A9/A96 INSHES TO SMITHTON LINK ROAD (Transport Scotland)

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 and grade separation of the A9/A82 Longman Roundabout and a single carriageway road connecting Inshes and Smithton and grade separation of the A9/A82 Longman Roundabout. This new grade separated junction will unlock significant areas of land which, once remediated (see below), will provide much needed capacity for industrial office and retail developments. The Inverness and Highland City-Region Deal will support the development of the A9/A96 Inshes to Smithton Link Road (East Link) which will encourage more active use of the road network hierarchy.

<b>RAG</b>	<b>LAST RAG</b>	<p><b>A9/A96 Inshes to Smithton Scheme</b>                  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.</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> <p><b>A9/A82 Longman Junction</b>                  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.</p> <p>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.</p>		
<b>G</b>	<b>G</b>			
Lead Organisation	Transport Scotland	Project Lead	Amy Phillips	
Business Case	N/A			
Benefits Commenced	No			
Next key Milestones	Task	Comment		Date
	Longman Draft orders	Longman interchange draft orders published		2020 (tbc)

## WEST LINK (Highland Council)

The 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.

<b>RAG</b>	<b>LAST RAG</b>	COVID lockdown had site closed for 3 months and work is again progressing as expected. The structural elements of the bridge are being delivered to site in October 2020. Once on-site the bridge sections will be assembled alongside the canal in its road closed position. The 3 months cessation of construction this has been delayed to March-2021.		
<b>G</b>	<b>G</b>			
Lead Organisation	Highland Council	Project Lead	Colin Howell	
Business Case	Full Case Approved			
Benefits Commenced	Yes			
Finance	N/A			
Next Key Milestones	Task	Comment		Date
	Bridge Construction	Structural elements of bridge arrive on-site		30/10/2020
	Opening of realigned A82, west link to roundabout	Completion of underpass installation and building of road to align to roundabout		30/11/2020
	Completion of Construction	Works progressing well		31/03/ 2021

## EAST LINK- Inshes (Highland Council)

Transport investment is needed to promote growth and improve connectivity. The Inverness and Highland City-Region Deal will support the development of the A9/A96 Inshes to Smithton Link Road (East Link) which will encourage more active use of the road network hierarchy, and thereby improve the operation of the network for longer distance and local journeys, providing relief to the A96 and the Raigmore Interchange.

<b>RAG</b>	<b>LAST RAG</b>	<p>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.</p> <p>Note: Inshes 3 lanes over overbridge complete and committee approval gained to progress Beechwood access</p>		
<b>G</b>	<b>G</b>			
Lead Organisation	Highland Council	Project Lead	Colin Howell	
Business Case	Full Case Approved			
Benefits Commenced	Yes			
Finance	N/A			
Next Key Milestones	Task	Comment		Date
	City and Area Committee Report	Review scheme objectives, consideration of options consultation and progression of statutory consents		19/11/2020
	Beechwood access	Tenders to be invited		30/10/2020
	Consultation	This was deferred due to the pandemic; committee approval will be sought to progress the consultations through virtual means		31/03/2021

**Covid-19 Update**

**APPENDIX 2**

<b>Project</b>	<b>Time Delay</b>	<b>Cost</b>	<b>Risk</b>	<b>Comments</b>
<b>Inverness Castle</b>	Unknown		The project is at a stage where it is possible to design in physical and operational requirements/ best practice to ensure visitor safety from COVID-19 (or other similar situations) whilst providing an enjoyable experience.	Anticipate managing project to within agreed timelines. Projected opening date of late September 2024 is sufficiently far away to allow for a recovery in the tourism sector prior to opening.
<b>Affordable Housing</b>	Up to 4 months	Increase in costs TBC <i>Expected Low</i>		Delay to projects as a result of lockdown. Projects are in recovery now.
<b>Longman Land Reclamation</b>	3 months	Unknown		Delay in negotiations with SEPA. Further negotiations with SEPA and Transport Scotland will take place.
<b>Northern Innovation Hub</b>	Impact on outcome timescales TBC	TBC <i>Expected Low</i>	Interim review will re-evaluate the overall programme budgets, impacts and outcomes and a revised plan will be produced in early 2021.	Many programmes moved to online delivery immediately as lockdown was imposed and continue to offer a range of advice and support. Not only has this provided continuity, but has enabled us to increase geographic reach, engaging with businesses in more remote and rural locations
<b>Life Sciences Innovation Centre</b>	3 months	TBC	Construction programme slippage linked to availability of materials and reduction in productivity due COVID-19 measures.	Recosting of work to bring in line with budget will enable tendering to begin with some recovery of delays possible. Challenges in quantifying a programme slippage in the realisation of research and innovation outputs.
<b>Science Skills Academy (STEM)</b>	Impact on delivery of outcomes	TBC <i>Expected Low</i>	This has had a significant effect on the SSA's targets numbers as per the CRD business case.	No in-house delivery has taken place in over six months. It has also slowed down infrastructure development, with regards to progressing the establishment of new Newton rooms.

<b>Project</b>	<b>Time Delay</b>	<b>Cost</b>	<b>Risk</b>	<b>Comments</b>
<b>Innovative Assisted Living (Fit Home)</b>	Up to 4 months	Increase in costs TBC <i>Expected Low</i>		Impact on the planning processes however this work has now restarted, and all sites are now identified with a clear plan in place for delivery. There has been little impact on the technology developments.
<b>Digital</b>	12-15 months <i>(non COVID)</i>	n/a		There are no known COVID-19 implications as no progress to date. Delayed due to legal challenge on R100 contract.
<b>Air Access</b>	Unknown	n/a		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.
<b>Longman Junction and A9/A96 Inshes to Smithton Link Road (Transport Scotland)</b>	n/a	n/a		Where it is possible to do so, Transport Scotland's consultants continued to advance the design work during the COVID pandemic, whilst complying with Government guidance.
<b>West Link (Highland Council)</b>	3 months		The new swing bridge can still be commissioned during the winter canal close down period. Any additional delay may compromise this.	Cost and delivery impacts are being managed between client and contractor with no significant increase in costs.
<b>East Link – Inshes (Highland Council)</b>	TBC	TBC <i>Expected Low</i>	Delay on face to face public consultation due to Covid-19. Reviewing options for consultation through virtual means.	Staff involved in the design of Inshes have also been redeployed on the reaction to COVID-19 and infrastructure works associated with government funding of COVID-19 measures.