Agenda Item	17
Report No	ECI/19/2022

HIGHLAND COUNCIL

Committee: Economy and Infrastructure

Date: 2 August 2022

Report Title: Inverness and Highland City-Region Deal

Report By: Executive Chief Officer Infrastructure, Environment & Economy

1   Purpose/Executive Summary

1.1   The purpose of this report is to provide Committee with an update on the Inverness and Highland City-Region Deal. Highlights of note in the last quarter include:-

- affordable homes programme is on target to deliver 65 new homes in 2022/23;
- design work has commenced on the refurbishment of the new TecHub which is a part of the North Innovation Hub project;
- after some delays due to Covid the construction work has commenced at the Castle; and
- a second tour of the Pop-Up Newton Room is being planned after the great success of the initial tour.

2   Recommendations

2.1   Members are asked to note progress with the City Region Deal during the first quarter of 2022/23.

3   Implications

3.1   **Resource** – There are no new resource issues arising as a result of this report. All City Region Deal projects are funded externally, with the exception of Council contributions through the agreed capital programme and strategic Housing Investment Plan.

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 new legal implications as a result of this report.

3.3 **Community (Equality, Poverty, Rural and Island)** – 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 & Islands Enterprise (HIE), 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 five.

5 Project Progress Highlights

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 **Castle Project** - Bancon Construction Ltd have commenced on site. The construction work will last for two and a half years, followed by a six-month fit out period, with a proposed opening date in spring 2025. Eight weeks into the project the programme remains on schedule.

The exhibition design team are continuing the process of preparing the concept designs for the visitor experience. The focus of their design development has been on the castle grounds, South Tower and West Tower. Work on the designs for the North Tower will progress once the Whisky Experience Partner for the North Tower has been appointed. The tender for the Whisky Experience Partner is being evaluated.

Spirit:360, the commissioning scheme for Highland-based or originated artists for small-scale commissions supported by Creative Scotland, continues with most of the final outputs complete. The commissioning programme has supported the development of new work by 66 artists across the Highlands. The completed commissions will be showcased on a new online platform as part of the Spirit of the Highlands project, alongside the original story which has inspired the work. Some of the commissions may go on to be developed as part of the exhibitions within the castle and in its grounds. An application is being developed to seek support from Creative Scotland for a small number of iconic new commissions in the grounds of the Castle.

In partnership with VisitScotland, the Spirit of the Highlands and Islands project continues to make significant progress towards developing digital assets which will re-position the region as a responsible tourism destination supporting the greater geographical and seasonal spread of visitors to the Highlands and Islands. The project will work in an inclusive and collaborative way to showcase the natural and cultural heritage of the Highlands and Islands through the stories of the area.

5.3 **Affordable Housing -** The first units were completed in October 2018 at Raining Stairs, Inverness. The total number of units approved to date is 380 new homes. Further projects currently on site include developments in Blar Mor, Fort William, Inverness, Evanton and Dornoch, with a total of 144 new homes. The project is currently negotiating on further opportunities including those included within the adopted Highland Strategic Housing Investment Plan. Projects are currently on site in several locations where there is an identified need including Inverness, Grantown on Spey, Kincraig, Dulnain Bridge, Fort William, Evanton and Dingwall. The programme is on target to deliver 65 new homes in 2022/23.

5.4 **Land Remediation Longman** – This project is to regenerate a redundant landfill site in Inverness to create 18 hectares of development-ready land for light industry/commercial use. Site investigations have been undertaken with reports submitted to Scottish Environment Protection Agency (SEPA). The formal application for partial surrender of the waste licence has been submitted to SEPA, however there were delays in obtaining a response. Following the intervention of the Scottish Government and subsequent meeting we received a letter from SEPA confirming they are minded to grant this partial surrender, subject to consultation with NatureScot and Highland Council and a final site visit. The formal partial surrender has now been received and the development site is being fenced off. The next stage is to carry out further intrusive site investigation works to ascertain the decontamination works necessary for the site to be serviced. A masterplan for the whole area is being prepared. The Highland Council will forward fund the cost of the site investigation to enable the final business case to be prepared.

The Highland Council is working closely with Transport Scotland to co-ordinate activities and share information in relation to the Longman interchange proposals to finalise the land requirements for new interchange. The outstanding issue is the amount of land required for badger mitigation which is still being negotiated and will impact on the amount of land available for development.

The Highland Council is also developing the waste transfer station on part of the adjacent landfill site and the City Region Deal project is progressing with these proposals.

5.5 **Northern Innovation Hub** - An interim review of the projects has concluded the programme is largely on track and in line with objectives and benefits. A revision of some projects proposes a change of emphasis and delivery mechanisms. The programme continues to accrue underspend, mainly due to ongoing Covid-19 restrictions and delays in the Food and Drink TechHub. A revised spend profile was submitted in June and has been updated accordingly. A Programme Amendment Paper was approved by the HIE Board in November which has been shared with the City Region Deal Programme Manager and Government counterparts.

A draft Change Request was submitted to the City Region Deal Programme Management Office, Scottish and UK Governments for comment in May. This has been approved by the Northern Innovation Hub External Project Board. The Change Request includes a number of amendments to individual projects and an increase in operational revenue to cover project slippage. All projects have now commenced.

5.6 **Life Sciences Innovation Centre** - The construction works for the new facilities are progressing well. The building contractor revised the construction end date to 18 November 2022. Value engineering opportunities are still being explored. Risks around the materials and components supply chain remain a concern in terms of future impact on costs and programme. Specific impacts on costs still need to be evaluated, but no compensation event has been submitted by the contractor to date. Procurement of scientific equipment for the facility has started for the long lead items. There are a number of revenue projects with innovative outcomes which are progressing well with the first new formed company having been reported. There are currently three live projects funded by the Health Innovation Fund.

5.7 **Science Skills Academy (STEM)** - Newton Activities are fully operational at the Thurso, Fort William, Dingwall and Inverness Pop-Up Newton Rooms. They have been heavily booked and well received by pupils and teachers.

Following the success of the initial tour of the Pop-Up Newton Room, the second tour for the 2022/23 academic term is currently being planned. This will see the Pop-Up Newton Room going back to Skye & Lochalsh, Badenoch & Strathspey, Kinlochbervie, Ullapool, Gairloch as well as two large Inverness schools. Like last academic year, the Pop-Up Newton Room will be hosted in as many community venues as possible.

The project has commenced the refurbishment process of the STEM Hub facility, with the intention of including a lab area in the Newton Room.

The project is now delivering the new Space Newton Module to S1 classes across Highland and has recently been trialling the new Salmon and Aquaculture Newton Modules to a small number of P6/P7 classes at various Newton Rooms. In the next academic year, the SSA will deliver all six Newton Modules (Robotics, Renewables, Health Science, Life Science, Space and Aquaculture).

The SSA is working alongside Glasgow Science Centre and Aberdeen Science Centre to deliver a new programme in the next academic year, called Learning Lab which is an online programme which will be offered to all schools across Highland.

5.8 **Innovative Assisted Living (Fit Home)** - The Technology Pilot is progressing well to now cover trials for people leaving institutional care. Working in close collaboration with the individual institutions the trials will explore how the technology might help address challenges of exploitation, inexperience of independent living and learned behaviours that adversely impact sustaining tenancies.

The trial is being extended to cover veterans in the Highlands, offering 3 properties in Dingwall through the mainstream Common Housing Register and 5 more nominations have been put forward for Inverness by Veterans Housing Scotland (VHS).

Construction of homes continues to recover from Covid-19 impacts with 11 units now complete in Dingwall, Castle Park. Also, there are tenders to be agreed on the Nairn site this quarter. At Stratton Farm Inverness, 8 units are under construction and the units should complete July 22.

There are a further 4 units being secured at Lairg and 4 more at Tongue under discussion.

5.9 **Digital** - It was anticipated that the R100 North Contract would be the vehicle through which the City-Region Deal funds would be used to increase broadband coverage within Highland. However, this route is now not an option. Discussions are underway involving Highland and Islands Enterprise (the project lead), The Highland Council and both Scottish Government and UK Government to investigate use of the UK Government's Project Gigabit contractual procedures to achieve the project's original aims.

A series of constructive stakeholder meetings are progressing to determine how both the Deal and Gigabit funding can be best used to support residents and businesses in the Highlands. The project has proposed a number of packages of work to extend broadband coverage in Highland. These now need to be tested with the market and Government counterparts to determine viability from a funding and deliverability perspective. The intention is to share viable solutions with councillors in September/October and for the project to be progressed.

5.10 **Transport Infrastructure - Longman Junction (Transport Scotland)** - Following completion of the connecting Inshes and Smithton route option assessment work and further design development and assessment of the preferred option, Transport Scotland published a draft order and an Environmental Impact Assessment Report (EIAR) for the scheme. The scheme will provide a new link road connecting between Culloden Road and Smithton Junction and will include new junctions at Ashton Farm and Cradlehall, a new link to the Inverness Retail and Business Park and a bridge over the Highland Main Line railway. Additional lanes will also be added across the A9 at Culloden Road, providing two lanes of traffic in either direction, along with an additional lane on the A9 southbound to improve the operation of the Trunk Road.

The scheme will provide over 7Km of enhanced facilities for cyclists and pedestrians. The cycling and pedestrian facilities will also connect into the existing core path, local path and national cycle networks.

5.11   **Transport Infrastructure - Inshes Junction** - A planning submission will be made for the scheme in 2022. This project will integrate into the A9/A96 Smithton to Inshes Link scheme.

6   Governance

6.1   The projects report to the quarterly City-Region Deal Programme Board, chaired by the Executive Chief Officer Infrastructure, Environment & Economy and attended by the lead officers for each project, a representative from the Council's Resources and 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;
- monitoring project status and ensure project delivery; and
- manage risks and financial commitments.

The Board met on 21 April 2022.

6.2   A Members City Region Deal Monitoring Group also monitors progress, and they met on 20 January 2022. A new schedule for the Monitoring Group in not in place presently, although this will be taken forward as a priority.

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 2021/22 Annual Report ahead of the Annual Conversation in the Autumn with Scottish and UK Governments. This report will also be brought to Committee when complete.

7   Programme Level Risk

7.1   **The Covid-19 Pandemic** - As previously reported some delays and issues have arisen from previous restrictions and a variety of mitigation and alternatives were successfully deployed. Whilst easing of restrictions are welcome, there remain issues around access to sites, obtaining materials and increased safety measures which may affect several projects in the programme.

7.2 **Underspend** – several projects continue to have issues with their spend profile within year due to a range of factors including Covid-19, contractors and legal delays. Those projects are working to resolve those issues and get their projects back on schedule. In most cases however, this will mean some spend will need to be carried forward to 2023/24. The Programme Management Office are working hard to resolve this issue with Projects, UK and Scottish Governments.

7.3 **Digital** – The Digital project remains in severe delay due to being excluded from the R100 project. The Digital project is developing a plan to use the Gigabit project and a stand-a-loan project to assist in delivering fibre in the Highlands. However, there remains a severe risk to this project should this not be achievable.

7.4 **Brexit** – Several projects, particularly infrastructure related, are at risk from material and worker resource availability from the EU. It is still too early to quantify the impact but the next round of invitations to tender for projects will give an indication of the likely impact.

8 Financial Position

8.1 The program provides a profile for spend across the UK and Scottish Government funding; this is tracked to ensure compliance with central Government accounting practices, and the spend is monitored to ensure progress is being made in line with project plans. The total funding remaining for the programme is £79m, which excludes the £109m of Scottish Government funding provided to Transport Scotland. It is anticipated that the total funds will be spent by the end of 2025/26. Further updates on progress will be given at Quarter 2.

	Forecast	Claims
Q1	£2,148,443.97	£2,081,651.68
Q2	£3,614,706.22	
Q3	£4,753,343.64	
Q4	£5,011,503.56	
	£15,527,997.39	£2,081,651.68

Designation: Executive Chief Officer Infrastructure, Environment & Economy

Date: 1 August 2022

Authors: Andrew Clifton, City-Region Deal Project Manager

Inverness and Highland City-Region Deal

Quarterly Dashboard Report

Quarter 1   2022/23

Red	Significant issues with the project delivery	Amber	Negative effect on project delivery	Green	Project is performing to plan

Inverness Castle

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

2. Executive Summary

Bancon Construction Ltd have commenced on site. The construction work will last for two and a half years, followed by a six-month fit out period, with a proposed opening date in spring 2025. Eight weeks into the project, the programme remains on schedule.

The exhibition design team, Mather & Co, are continuing the process of preparing the concept designs for the visitor experience. Since their initial concept framework presentation, they have been developing themes and content based on the feedback received, including concepts for each room and how the interactive device and app will work together. The focus of their design development has been on the castle grounds, South Tower and West Tower. Work on the designs for the North Tower will progress once the Whisky Experience Partner for the North Tower has been appointed. The tender for the Whisky Experience Partner is being evaluated. Spirit:360, the commissioning scheme for Highland-based or originated artists for small-scale commissions supported by Creative Scotland, continues with most of the final outputs complete. The commissioning programme has supported the development of new work by 66 artists across the Highlands. The completed commissions will be showcased on a new online platform as part of the Spirit of the Highlands project, alongside the original story which has inspired the work. Some of the commissions may go on to be developed as part of the exhibitions within the castle and in its grounds. An application is being developed to seek support from Creative Scotland for a small number of iconic new commissions in the grounds of the Castle.

In partnership with VisitScotland, the Spirit of the Highlands and Islands project continues to make significant progress towards developing digital assets which will re-position the region as a responsible tourism destination supporting the greater geographical and seasonal spread of visitors to the Highlands and Islands. The project will work in an inclusive and collaborative way to showcase the natural and cultural heritage of the Highlands and Islands through the stories of the area. Spirit of the Highlands and Islands will also create the 'Tapestry of the Highlands and Islands' in which stitchers from communities across the region will portray stories from their areas in a virtual and physical interpretation of the Spirit of the Highlands and Islands. Over 400 stitchers from all areas of the Highlands and Islands have signed up to help to create the 50 panels that will collectively form the new bespoke tapestry.

Work continues to explore and apply for additional sources of funding. Updates on the status of current activity are listed below.

- CRD Business Case: The Full Business Case has now been approved by both UK and Scottish Government officials and will now be submitted to the Council for final sign off.
- An application seeking a sum of £350K from HES to support restoration work has successfully passed the initial phase and will progress to full evaluation.
- An application is being developed to submit to Creative Scotland to support the creation of new artists commissions within the grounds of the Castle.
- A proposal has been submitted to the Council's Shared Prosperity Fund to seek support for an employability programme in advance of opening the Castle.
- Private sector: discussions are ongoing with potential sponsors and investors for phase 1 of the masterplan.

	3.	Implementation Plan				
Ref	**Milestone**	**Description**	**Original Date**	**New Date**	**Comment**	
	Construction Start		27/09/2021	18/04/2022		
	Construction Completion		26/04/2024	01/11/2024		
	Handover and Close out		04/07/2023	01/09/2024		
	Fit Out/Opening		28/09/2023	01/04/2025		

	4.	Benefits Realisation				
Ref	**Measure**	**Description - *Impact of benefit***	**Benefit Type**	**Realisation Starts**	**Realisation Ends**	
1	Set out in Benefits Realisation Plan in FBC		Outcome			

5. Financial Profile for Life of Programme *(CRD Funding only)*

2022/23	Q 1	Q 2	Q 3	Q 4	Total
Forecast Spend @ Apr-22	£536,024	£1,567,143	£2,483,205	£3,206,779	£7,793,151
Revised Forecast Spend *(In-Year)*	£797,670	£1,305,494	£2,483,205	£3,206,782	£7,793,151
Actual Spend	**£797,670**				**£797,670**

6. Summary of key costs against budget current year

Ref	Cost Item	Budget	Actual Spend	Explanation
1	Construction Costs	£6,417,456		
2	Project Fee's	£547,700		
3	Interpretation Fit Out	£500,000		
4	NCHF Match Funding	£328,000		
	Total	**£7,793,156**		

Affordable Housing

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

2.   Executive Summary
General
The first units were completed in October 2018 at Raining stairs Inverness. The total number of units approved to date is 380 new homes. Further projects currently on site include developments in Blar Mor, Fort William, Inverness, Evanton and Dornoch a total of 144 new homes. We are currently negotiating on further opportunities including those included within the adopted Highland Strategic Housing Investment Plan.
Quarter 1 Update
Projects currently on site in number of locations where there is an identified need including Inverness, Grantown on Spey, Kincraig, Dulnain Bridge, Fort William, Evanton and Dingwall.
The programme on target to deliver 65 homes in 2022/23.

3. Implementation Plan					
Ref	Milestone	Description	Original Date	New Date	Comment
10	Dulnain Bridge	Tender Accepted	30/09/20	31/12/22	On site
17	Netwonmore	Pre tender	31/05/20		Pre tender
19	Inverness Ness side	On site	31/03/21	30/04/22	On site
22	Stratton HHA	Mixed use site- council	30/12/21	31/5/22	On site
23	Fort William,The Blar	Phase 1 on site	31/3/22	31/5/22	On site
24	Fort William, Lochaber House	High Street regeneration project	30/11/21	31/5/22	On site
25	Inverness, Castle Street	High Street regeneration project	30/7/21	31/7/22	On site
26	Inverness, Lomond Gardens	On site	30/9/21	31/5/22	On site
28	Evanton, Teandallon	On site	31/7/22	31/10/22	On site
29	Dornoch, Elizabeth Crescent	On site		31/5/22	Completed
30	Union street inverness	On site		30/9/22	On site
31	Kingussie	Contract Awarded		31/5/23	Due to start on site May 22
32	Kincraig	On site	31/7/22	31/10/22	On Site

33	Inverness, Ness Castle	On site	31/5/22		On Site
34	Aviemore, Spey House	Site Completed and allocated	31/5/22		Complete
35	Strathpeffer	Site Completed and allocated	31/8/21		Complete
36	Carrbridge, Carr Road	Tender Received	31/3/23	31/5/23	Start expected June 22
37	Dingwall St Andrews Road	On site	31/3/23		On site
38	Nairn, Cawdor Road	Tender Received	31/7/23	30/9/23	Due to start on site August 22
39	Rosemarkie, Greenside	On site	31/1/23		On site
40	Kirkhill	On site	30/4/23		On site
333	Remaining Sites to be identified				

4.	Benefits Realisation					
Ref	Measure	Description - *Impact of benefit*	Benefit Type	Realisation Starts	Realisation Ends

Year 2022/23	Q1	Q2	Q3	Q4	Total
1 No. of units approved	0				0
2 No. of CRD-funded units approved	0				0
3 No. of units started on-site	9				9
4 No. of units CRD-funded units started on-site	9				9
5 No. of units under construction (on-site)	191				191
6 No. of CRD-funded units under construction (on-site)	191				191
7 No. of units Completed	6				6
8 No. of CRD-funded units completed	6				6
9 No. of units funded to-date	0				0
10 No. of CRD-Funded units to-date	0				0
11 % CRD-funded properties rented to young tenants	75				
12 % CRD-Funded Properties rented to young tenants to-date	75				66

5.	Financial Profile for Life of Programme *(CRD Funding only)*	Funding: £5M

2022/23	Q 1	Q 2	Q 3	Q 4	Total
Forecast Spend @ Apr-22	£0	£0	252,000	138,000	£390,000
Revised Forecast Spend *(In-Year)*					
Actual Spend	**£0**				

6.	Summary of key costs against budget current year				
Ref	**Cost Item**	**Budget**	**Actual Spend**	**Explanation**	
1	City Deal contribution to site purchase / development costs	£390,000	0	On Target	
	Total	**£390,000**	**0**		

Land Remediation Longman

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

2. Executive Summary
To regenerate a redundant landfill site in Inverness to create 18 hectares of development-ready land for light industry/commercial use.   Site investigations have been undertaken with reports submitted to SEPA.   The formal application for partial surrender of the waste licence has been submitted to SEPA however there were delays in obtaining a response. Following the intervention of the Scottish Government and s subsequent meeting we received a letter from SEPA confirming that SEPA are minded to grant this partial surrender, subject to consultation with Nature Scotland and Highland Council Planning Department and a final site visit. We have now received the formal partial surrender and the development site is being fenced off, the next stage is to carry out further intrusive site investigation works to ascertain the decontamination works necessary for the site to be serviced . A masterplan for the whole area is being prepared. The Highland Council will forward fund the cost of the site investigation to enable the Final Business case to be prepared.   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 have been held with Transport Scotland to finalise their land requirements for new interchange. The area required under the CPO has now been finalised. The outstanding issue is the amount of land required for badger mitigation which is still being negotiated and will impact on the amount of land available for development. The Highland Council is also developing waste transfer station on part of the adjacent landfill site and is progressing with these proposals.

3. Implementation Plan					
Ref	Milestone	Description	Original Date	New Date	Comment
1	Intrusive Site Investigations	Investigations last a year to enable tide cycle	Complete		
2	End of initial Investigations	A further stage will be required	23/01/18		Because the inter-relationship between remediation activity SEPA licence and Longman Interchange site boundaries will change, and further investigations will be needed
3	SEPA In principle approval		31/03/19		
4	Further Site investigations	for full business case	30/03/20		Will need to align with Longman Interchange work

5	Planning Application	Submit planning application for remediation works and site servicing masterplan. Instruct Transport Impact Assessment (TIA).	31/03/19	31/09/19	Significantly more investigative work will be needed
6	Remainder Business Case	full business plan submitted for remediation works.	31/1/21	31/03/23	Delayed to SEPA / transport Scotland negotiations
7	Remediation works commence		30/09/21	31/03/24	Delayed to SEPA / transport Scotland negotiations
8	Site Servicing Works commence		30/04/23	30/01/25	
9	Site Marketed:	(subject to completion of Longman Interchange)	30/04/25	30/04/26	

4.	**Benefits Realisation**				
Ref	Measure	Description - *Impact of benefit*	Benefit Type	Realisation Starts	Realisation Ends

5.	**Financial Profile for Life of Programme** (CRD Funding only)				**Funding: £ 10,000,000**

2022/23	Q 1	Q 2	Q 3	Q 4	Total
Forecast Spend @ Apr-22	£13,828.84				
Revised Forecast Spend *(In-Year)*					
Actual Spend	£13,828.84				£13,828.84

6.	**Summary of key costs against budget current year**			
Ref	Cost Item	Budget	Actual Spend	Explanation
1	Consultant fees	£	£	Unknown at this stage pending further discussions with SEPA
	Total	£	£	

Northern Innovation Hub

1. Management Summary					
Summary:	**Overall Project Status**	**Progress against Plan**	**Financials**	**Benefits**	**Risks**
This Report	A	A	A	A	G
Last Report	A	A	A	A	A
Main Reasons for Change			Reprofiled F&D project approved, programme on track to fully deliver (subject to approval of Change Request).		Food and Drink project now on track to deliver, remaining procurements complete or due to complete Q2.

2. Executive Summary

Financials: The programme continues to accrue underspend, mainly due to ongoing COVID-19 restrictions, and delays in the Food and Drink TechHub. A revised spend profile was submitted in June and has been updated accordingly in this report.   There is some uncertainty around the spend profile for the TechHUB capital project which will be clarified once the cashflow schedule is developed by the appointed architects.

Operational: All projects have now commenced. A draft Change Request was submitted to the CRD PMO, Scottish and UK Governments for comment in May. This was subsequently approved by the NIH External Project Board in June. The Change Request includes a number of amendments to individual projects and an increase in operational revenue to cover project slippage. The team has worked hard to ensure projects continue to deliver in spite of resource challenges. A number of procurement exercises are in progress or completed. A contract for marketing services will be procured next quarter.

Benefits Realisation: NIH has supported 282 unique businesses this quarter and a total 2,494 unique businesses to date.

Projects:

Tourism projects: One-to-one support has continued for businesses across Let's Grow Adventure Tourism cohorts 3-5. 'Lighter touch' interactions are planned across peak summer season. Feedback suggests participants are expecting a strong summer season, with some reporting a return of international bookings. Those with stronger digital offerings have fared better -i.e., slicker booking systems, better websites, and/or stronger social media strategies.

The final series of Tune into Tourism (TINTO) was released first half of May, a series of 5 webinars and supporting podcasts focussing on the National Tourism Strategy – Outlook 2030. The series has 375 views across YouTube, 400 downloads of the podcast. The TINTO podcast has been downloaded over 3,600 times since starting back in April 2020.

Digital Tourism Think Tank (DTTT) are consistently sharing a large amount of content and hosting multiple events – i.e. X – Design week, earlier in June, in person event in Cologne, all content available digitally. 'X-Festival' – planned for November/December, another week of talks and interactive sessions, hosted entirely online. This is available to access by the DMO's across the Highlands & Islands. A slimmed down version is available for SMEs. We recently held a session between DMO's and DTTT with some good outcomes – looking to set up a Highlands & Islands tourism community on the DTTT platform, that can push out relevant trends/insights/headlines etc. to members via WhatsApp.

Developing Mountain biking in Scotland – Highland Cluster project has made good progress recently – Kate Forbes was involved in the launch of a new website 'scottishmtbtourism.com' ahead of the 2023 Cycling world Championships in Glasgow. The website contains a businesses self-assessment tool, business specific videos,

images and videos businesses can use for marketing purposes etc. Working closely with each of the destinations is now a priority, to better understand how the findings of each bike plan can be put into practice.

Plans are in place to deliver a 'Digital Tourism Advice Service' that will provide between 2- 4 days one-to-one specialist advice for tourism enterprises developing advanced digital projects. This might include Mobile tech/cloud computing; Artificial intelligence; Augmented/virtual reality; Data analytics; Blockchain and NFT's. This will deliver the Digital Tourism Leaders Bootcamps outputs/outcomes and is expected to launch September 2022.

Life Sciences projects

Pathfinder Accelerator: 9 cohorts have completed Pathfinder to date and 73 businesses have benefitted to date. Cohorts delivered this quarter – January, March and May intake. With the January cohort completing Pathfinder on Friday 24th June. Two general programmes and one focusing on animal health and aquaculture. These culminated in "dragon's den" sessions where the participants pitched their ideas to a panel of experts. This programme has been rolled out to the wider HIE region with additional funding.

NEXUS: 20 soft-landing agreements have now been issued and 8 businesses are currently located in NEXUS.   29 Nexus webinars have now been broadcast receiving a total 469 attendees. 3 webinars were delivered this quarter:

R&D tax credits 21 June**; Frontier Science** 22nd June **; The AAA sector in Scotland -** overview of research, business and facilities – 24th May**;**

NHS Market Ready, now Business to Healthcare (B2Hc): 20 beneficiaries in total - 15 participants currently receiving considerable support from B2Hc programme. A new contract was procured this quarter and will commence August 2022 – March 2024, delivering considerable support to a target of 40 enterprises.

Food and Drink projects

Highland Food and Drink Innovation Network: SAC Consulting has been procured to provide a range of enterprise support services to help them develop innovative products, services and processes, over a period of 3 years. Now entitled Food and Drink TechHUB Business Support Services, 300 enterprises will benefit from this programme in total. This will include aspects of the **Next Generation Programme** which will also receive additional support through the IMPACT30 young entrepreneurs programme (see below). The contractor will also work with stakeholders and assist in establishing an advisory board to oversee the project.

Food and Drink Technology Centre (TechHub): The Outline Business Case is now completed. The funding for the phase 2 capital project has been approved by HIE Board and UK and Scottish Governments. A press release was issued on 06/07/2022 confirming that Colin Armstrong Architects have been commissioned to undertake design works to RIBA Stage 4. It is hoped to have a construction contractor in place by early 2023.

Creative Industries

XpoNorth Digital: A procurement exercise has concluded for a supplier to deliver the next phase of the programme – tender closed 23rd May and new contract starting 1st August. XpoNorth Conference was delivered on 15-16 June 2022. All digital content is now accessible from https://xponorth.co.uk/ and will be promoted across the summer/autumn.   Digital Rural Innovation, digital inclusion and NFT's all covered. The conference is a demonstration of remote conference delivery and participation and XpoNorth colleagues are available to offer advice and guidance to H&I organisations considering digital events.

XpoNorth Blog *So you want to know about NFTs?* https://xponorth.co.uk/blog/so-you-want-to-know-about-nfts launches a new strand of open advice and information in the summer

Young People and Technology

Technology Placement Programme has received several new enquires in this last quarter. One application has been approved during this quarter, making the total number of Graduate Placement to date 25 and student placements 5. New promotional campaign underway and actively exploring other channels to promote.

IMPACT30 – There has been no new cohort intake since the last report as the current supplier's contract comes to an end in July 2022. There are 19 enterprises taking part in the final cohort of this current programme – the total enterprises to benefit to date is 78. An information webinar was delivered on 19th June, and a celebration event took place in Inverness on

23rd June with around 30 current and past participants attending. A procurement exercise concluded in June 2022 and a preferred supplier has been identified to deliver Phase 2. This is subject to approval of award by HIE.

The **Coding Academy** is paused and therefore has no updates.

General

Project delivery is continuing well in spite of COVID restrictions. Focus over the coming months will be to move beneficiaries up from modest to considerable and intensive support levels. A number of case studies have been completed and more are planned, along with other promotional materials, to illustrate the successes of projects. Social media posts are also made. The latest quarterly newsletter was issued in June 2022. Press releases for Pathfinder and Food and Drink projects have been issued this quarter. The External Project Board met on 30th June and discussed the proposed Change Request, along with considering how to bring a young people representative onto the board.

	3. Implementation Plan				
Ref	**Milestone**	**Description**	**Original Date**	**New Date**	**Comment**
1	Change Request for remainder of programme	Approval from CRD / SG / UKG to amend programme budgets/outputs/delivery plan. Change Request to be submitted to SG.	30/04/2022	31/07/2022	*In progress.* Programme amendment proposal approved by HIE Board in October 2021. *Draft Change Request circulated for comment. To be approved by external project board.*
2	Food and Drink TechHub design team procured	Design Team tender documents in preparation - due to commence tendering mid-April.	31/05/2022	31/06/2022	Contract awarded. Inception mtg 01/07/22. Slippage due to internal staff resource challenges.
3	IMPACT30 phase 2	Launch of redesigned programme. Tender published on PCS 1/4/22. Tender evaluation due May 2022. Contract due to be awarded end July.	31/09/2022		(Milestone amended). In progress. Tender published on PCS 1/4/22. Tender evaluation completed June 2022. Contract due to be awarded end July. Supplier identified. Subject to approval to award. Original date was for decision on supplier which slipped due to internal staff resource challenges. New date is for launch of programme.
4	XpoNorth Digital phase 2	Procurement of a contractor for continued delivery of XpoNorth Digital programme. Tender live on PCS 31st March. Tender evaluation 6th June.	20/06/2022	11/07/2022	Preferred supplier identified. Subject to approval to award on 4th July 2022.
5	Food and Drink TechHUB design phase completed	Architect/design team to RIBA stage 4.	30/10/2022		
6	TechHUB Business Support Services launch	Series of 3 launch events to promote and gather feedback from enterprises.	31/08/2022		
7	Digital Tourism Leaders	Redesigned programme due to launch, providing specialist	31/08/2022		

	Academy	advice for advanced digital tourism development projects			

4.	**Benefits Realisation**						
Ref	**Measure**	**Description – *Impact of benefit***	**Benefit Type**	**Target**	**Achieved to date**	**Realisation Starts**	**Realisation Ends**
1	Number of Enterprises receiving modest support to develop innovative products, services or processes (interactions)	Attend event, workshop, webinar or other light touch interaction	Socio Economic	845	2936	November 2018	2026
2	Number of Enterprises receiving considerable support to develop innovative products, services or processes (interactions)	Participate in series of events, workshops or receive up to 3 days' specialist advice, Industry Engagement Programme or other support	Socio Economic	326	148	November 2018	2026
3	Number of Enterprises receiving intensive support to develop innovative products, services or processes (interactions)	Participate in programme, receive over 3 days' specialist advice or other support; tenant or soft-landing; student or graduate placement	Socio Economic	625	316	November 2018	2026
4	Total number of unique businesses supported	Number of unique businesses receiving modest, considerable or intensive support	Socio Economic	1650	2494	November 2018	2026
5	Number of enterprises cooperating with research institutions	Cooperation to help develop new product or service, reach new markets, other	Socio Economic	30	13	November 2018	2026
6	Number of innovative active businesses	BEIS UK definition: An enterprise is defined as Innovation Active if during the previous 3-year period it has been engaged in any of the following: 1. Introduction of a new or significantly improved product (good or service) or process 2. Engagement in innovation products not complete or abandoned; 3. New or significantly improved forms of organisation, business structures or practices, marketing concepts or strategies.	Socio Economic	600	163	November 2018	2026
7	Number of products new to the firm (ERDF target)	New, unique and innovative product, service or process developed	Socio Economic	30	146	November 2018	2026
8	Number of products new to the market (ERDF target)	New, unique and innovative product, service or process developed	Socio Economic	60	72	November 2018	2026

5. Financial Profile for Life of Programme *(CRD Funding only)*						Funding: £ 11,000,000

2022/23	Q 1	Q 2	Q 3	Q 4	Total
Forecast Spend @ Apr-22	£250,000	£350,000	£350,000	£1,028,733	£1,978,733
Revised Forecast Spend *(In-Year)*	£135,695	£440,000	£440,000	£493,864.73	£1,509,560
Actual Spend	£**135,695.42**				£247,308.13

6. Summary of key costs against budget current year

Ref	Cost Item	Budget	Actual Spend	Explanation
1	IMPACT30	177,200	74,976.01	Spending to budget. New contract start date not yet confirmed, this could potentially delay or escalate spend.
2	Coding Academy	0	0	Project paused
3	XpoNorth Digital	296,870	36,550.00	Spending to budget
4	Food and Drink projects	280,000	3,788.05	Spending to budget
5	Life Sciences projects	220,000	21,135.38	Spending to budget
6	Operating Costs	250,000	53,762.69	Spending to budget
7	Technology Placement Programme	70,000	19,511.00	Spending to budget. Subject to new project approvals and claims.
8	Adventure Tourism / Digital Tourism Programmes	215,520	37,585.00	Spending to budget
	Total	**1,509,590**	**247,308.13**	Figures to 30/06/2022

Life Sciences Innovation Centre

1.	Summary				

Summary	Overall project status	Progress against plan	Financials	Benefits	Risk register
This report	A	R	A	G	A
Last report	A	R	A	G	A
Main reasons for change					

2.	Executive Summary

Capital project: construction works are progressing on site despite challenges with availability of drawings. The building contractor revised the construction end date to 18 November 2022 to build a terminal float (previously advised 28 October 2022). Specific impact on costs still needs to be evaluated, but no compensation event has been submitted by the contractor to date (necessary process for the contractor to claim any additional costs).
Challenges of information flow and quality has been further escalated with the building contractor at senior level.
Procurement of scientific equipment is starting for long lead-in items.
Revenue project: delivery of innovation outcomes is progressing, with the first new formed company to be reported. There are currently three live projects funded by the Health Innovation Fund. Going forward, the main risk with regards to outcome delivery will be the research staffing bandwidth.

3.	Implementation Plan				
Ref	Milestone	Description	Original date	New date	Comment
3	Recruitment complete	All clinical and non-clinical staff in post, including the full complement of sessional clinical appointments.	30/04/2019		This will be an ongoing task until the end of the funding period.
4.9	Building complete	Building commissioning completed for the UHI zone. Ownership of the UHI area commences.	24/01/2022	18/11/2022	As per latest contractor's programme.
4.10	Occupation and official opening of the new facility	Research and Innovation teams (from Division of Biomedical Sciences) are operational in the new facility. Opening event is a separate event in the spring of 2023.		31/12/2022 for occupation 31/03/2023 for opening event	
4.6	Pipeline of 50 research projects	Projects supported by City-Region Deal leading to deliver a formal outcome from the four categories of outcomes listed in the Full Business Case establishing new companies or as validated healthcare improvements ready for uptake.	31/12/2022		For deliverables requiring the new pre-incubation facility, there will be a delay until the new facility is complete and used.

4. Benefits realisation

Ref	Measure	Description - *Impact of benefit*	Benefit type	Realisation starts	Realisation ends
1	Digital health and applied life sciences products and services (count: 20/20)	Any physical or virtual products, technologies, apps, software platforms, programmes, algorithms, databases, biobanks, or methodologies that are new to market and/or new to firm, developed with the aim of downstream commercialisation. These may be developed independently, in conjunction with any public, private, or third sector organisation, enterprise, or firm, or as part of contract research studies.	Economic, social (health improvement)	Jan 2019	March 2025
2	New start companies, spin-outs, or inward investment (count: 1/10)	New business registrations, the siting of new or established businesses (in part or in whole) in the Highlands area, and/or inward investment (financial or otherwise) for new business ventures from public, private, or third sector organisations.	Economic, social (health improvement)	Jan 2019	March 2025
3	Supported companies for product innovation (count: 14/15)	Any public, private, or third sector organisations, organisations and/or enterprises engaging UHI in potential collaborative research projects, partnerships, consulting, cooperative and/or contract research studies which aim to deliver local, regional, national, or international commercial relevance.	Economic, social (health improvement)	Apr 2018	March 2025
4	Exportable healthcare improvements (count: 9/25)	Any projects that evaluate new or existing health-related technologies, products, services, and/or methodologies relevant to remote and rural communities, with the aim of subsequent adoption and/or procurement by national health agencies, boards, or trusts, healthcare providers, insurers, or other private companies.	Economic, social (health improvement), improved services	Mar 2019	March 2025

5. Financial Profile for Life of Programme *(CRD funding only)* — Funding: £9,000,000

2022/23	Q 1	Q 2	Q 3	Q 4	Total
Forecast Spend to THC @ *Apr-22*	£1,625,868	£772,892	£1,064,119	£336,378	£3,799,257
Revised Forecast Spend *(In-Year)*	£1,025,356	£942,012	£1,394,467	£437,422	£3,799,257
Actual spend	£1,025,356				

6. Summary of key costs against budget current year

Ref	Cost Item	Budget	Actual Spend	Explanation

1	Capital project	£3,114951.83	£914,439	Actual claim Q1 2022/2023
2	Revenue project	£684,304.83	£110,918	Actual claim Q1 2022/2023
	Total	£1,3799,256.66	£1,025,356	

Science Skills Academy (STEM)

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

2.	Executive Summary

Newton Rooms

Following the success of the initial tour of the Pop-Up Newton Room, the second tour for the 2022/23 academic term is currently being planned. This will see the Pop-Up Newton Room going back to Skye & Lochalsh, Badenoch & Strathspey, Kinlochbervie, Ullapool, Gairloch as well as two large Inverness schools. Like last academic year, the Pop-Up NR will be hosted in as many community venues as possible therefore investing money to communities in the form of room hire, cleaning services and removal company services.

The University of the Highlands and Islands and HIE have agreed to allow the SSA to use the UHI STEM Hub and #HelloDigital facilities, respectively, as the Inverness Newton Room until at least June 2024. The SSA is now in the initial stages of a refurbishment process of the STEM Hub facility, with the intention of including a lab area in the Newton Room

Newton Modules

The SSA is now delivering the new Space Newton Module to S1 classes across Highland and has recently been trialling the new Salmon and Aquaculture Newton Modules to a small number of P6/P7 classes at various Newton Rooms. In the next academic year, the SSA will deliver all six Newton Modules (Robotics, Renewables, Health Science, Life Science, Space and Aquaculture)

The STEM Engagement Officers will be delivering summer activities in partnership with the High Life Highland School's Out programme, both at Newton Rooms as well as at High Life Highland libraries and community venues

Collaborations

The SSA is a working with SSERC (Scotland's leading CLPL deliverer for schoolteachers and staff) to promote and encourage Highland schools to take part in the Young STEM Leader (YSL) programme. By visiting taking part in a Newton Module and completing some self-reflection pre- and post-work, school pupils could earn badges towards their YSL award

The SSA is working alongside Glasgow Science Centre and Aberdeen Science Centre to deliver a new programme in the next academic year, called Learning Lab. This 8-week online programme for P6-P7 and 2-week online programme for S1-S2 pupils will be an extension to their Newton room experience and will be offered to all schools across Highland. The SSA will lead this programme for the Highland region and will deliver online teacher CLPL sessions as well as online Meet the Expert sessions for school pupils.

Communications

The SSA has recently issued a contract for marketing services to a Scottish supplier, who will focus on raising awareness and promoting the SSA to new strategic stakeholders and potential investors. This will be carried in out the form of new press releases, case studies and social media content

3.	Implementation Plan					
Ref	**Milestone**	**Description**	**Original Date**	**New Date**		**Comment**
1	Annual Newton Module Delivery to 9,500	Every P6-S2 pupil in Highland Region to attend a minimum of one Newton Module per academic year	01/07/2021	31/03/2023		To date (start July) there have been circa 7500 pupil interactions

	Highland School Pupils (P6-S2)				Delivery will continue until end of CRD funding in March 2023
2	Highland Newton Room Network Established	Long-term Inverness Newton Room to be established	31/12/2020	31/10/2022	Thurso, Fort William & Dingwall Newton Rooms are fully refurbished Pop-up Newton Room has completed tours of Skye & Lochalsh and Badenoch & Strathspey, as well as Kinlochbervie and large Inverness schools. The 2022/23 academic year tour is being planned Activity being delivered at Inverness Newton Room, and an agreement for an extended lease has been confirmed, which will allow scope for further refurbishment in the 22/23 FY
3	Full Package of STEM Delivery Offered	Seven Newton Modules; SSA extracurricular events; external deliverers	31/12/2020	31/03/2023	Newton Modules currently being delivered are Robotics & Mathematics (P6-7), Renewable Energy (S1-2), Health Science (P6-7), Sustainable Biofuels (S2), Climate Change and Peatlands Mini Module (S1-2), Salmon and Aquaculture (P6-7), Space (S1-2) The 21/22 academic year saw no use of the Newton Rooms for extracurricular activities, due to ongoing covid restrictions, mainly the requirement to deep-clean rooms between school groups. It is anticipated that these will increase in the next academic year however
4	Monitoring & Evaluation Framework Developed	Full impact evaluation at end of delivery period	31/03/2022	31/03/2023	Post-event questionnaires (pupils & teachers) on-going External interim review complete Full impact evaluation upon project completion still to commence
5	Project Ownership Transition	Identify potential partners for transition; test compatibility; provide partner with interim report; provide evidence of financial sustainability	01/01/2022	30/06/2022	HIE has agreed in principle to continue to lead the project post IHCRD until at least June 2024, giving enough time to identify a new owner, if required

| 6 | Confirm Sustainable Funding Model | Confirm funding for running costs for a project extension to June 2023 (post IHCRD funding which is due to end March 2023) | 31/12/2020 | 30/06/2022 | HIE has agreed in principle to continue to invest a third of running costs for an extension to June 2024, on the basis that this funding is matched by other parties
Highland Council has verbally indicated contributing a third of running costs
A request to Scottish Government had been made for remaining third of funding |

4.	Benefits Realisation				
Ref	**Measure**	**Description** - *Impact of benefit*	**Benefit Type**	**Realisation Starts**	**Realisation Ends**
1	Pupil interactions (Newton modules) at **Thurso** Newton Room **[2255 total since start]**	Total number of school pupils (P6-S2) that undertake Newton module activities at the **Thurso** Newton Room	Improved services; Social	29/08/19	31/03/22
2	Pupil interactions (non-Newton Modules) at **Thurso** Newton Room **[706 total since start]**	Total number of children (any age) that take part in activities, that are not Newton modules, at the **Thurso** Newton Room	Improved services; Social	19/03/19	31/03/22
3	Adult interactions at **Thurso** Newton Room **[187 total since start]**	Total number of adults that take part in activities at the **Thurso** Newton Room	Improved services; Social	19/03/19	31/03/22
4	Pupil interactions (Newton modules) at **Fort William** Newton Room **[895 total since start]**	Total number of school pupils (P6-S2) that undertake Newton module activities at the **Fort William** Newton Room	Improved services; Social	27/08/19	31/03/22
5	Pupil interactions (non-Newton Modules) at **Fort William** Newton Room **[367 total since start]**	Total number of children (any age) that take part in activities, that are not Newton modules, at the **Fort William** Newton Room	Improved services; Social	01/04/19	31/03/22
6	Adult interactions at **Fort William** Newton Room **[90 total since start]**	Total number of adults that take part in activities at the **Fort William** Newton Room	Improved services; Social	12/03/19	31/03/22
7	Pupil interactions (Newton modules) at **Inverness** Newton Room **[2320 total since start]**	Total number of school pupils (P6-S2) that undertake Newton module activities at the **Inverness** Newton Room	Improved services; Social	08/09/2021	31/03/22

8	Pupil interactions (non-Newton Modules) at **Inverness** Newton Room **[49 total since start]**	Total number of children (any age) that take part in activities, that are not Newton modules, at the **Inverness** Newton Room	Improved services; Social	27/09/19	31/03/22
9	Adult interactions at **Inverness** Newton Room **[19 total since start]**	Total number of adults that take part in activities at the **Inverness** Newton Room	Improved services; Social	04/09/19	31/03/22
10	Pupil interactions (Newton modules) at **Dingwall** Newton Room **[2123 total since start]**	Total number of school pupils (P6-S2) that undertake Newton module activities at the **Dingwall** Newton Room	Improved services; Social	07/12/20	31/03/22
11	Pupil interactions (non-Newton Modules) at **Dingwall** Newton Room **[26]**	Total number of children (any age) that take part in activities, that are not Newton modules, at the **Dingwall** Newton Room	Improved services; Social	Not started yet	31/03/22
12	Adult interactions at **Dingwall** Newton Room **[0]**	Total number of adults that take part in activities at the **Dingwall** Newton Room	Improved services; Social	Not started yet	31/03/22
13	Pupil interactions (Newton modules) at **Pop-Up** Newton Room **[1472 total since start]**	Total number of school pupils (P6-S2) that undertake Newton module activities at the **Pop-Up** Newton Room	Improved services; Social	24/08/2021	31/03/22
14	Pupil interactions (non-Newton Modules) at **Pop-Up** Newton Room **[0]**	Total number of children (any age) that take part in activities, that are not Newton modules, at the **Pop-Up** Newton Room	Improved services; Social	Not started yet	31/03/22
15	Adult interactions at **Pop-Up** Newton Room **[0]**	Total number of adults that take part in activities at the **Pop-Up** Newton Room	Improved services; Social	Not started yet	31/03/22
16	Pupil interactions (Newton Modules) **NOT at a Newton Room [2079]**	Total number of school pupils (P6-S2) that undertake Newton module activities, that are not hosted at a Newton Room	Improved services; Social	26/04/21	31/03/22
17	Pupil interactions (non-Newton Modules) **NOT at a Newton Room [3227 total since start]**	Total number of children (any age) that take part in activities, that are not Newton modules, that are not hosted at a Newton Room	Improved services; Social	11/10/17	31/03/22
18	Adult interactions **NOT at a Newton Room [677 total since start]**	Total number of adults that take part in activities that are not hosted at a Newton Room	Improved services; Social	01/05/18	31/03/22

19	Additional financial investment secured **[£46,927 total since start]**	Financial investment from stakeholders/investors to supplement the Inverness and Highland City-Region Deal finding	Improved services; Social	29/08/20	31/03/22

4b. Summary of Benefits						
Ref	Measure	Benefits from 2022/23 Q1	Benefits from 2022/23 Q2	Benefits from 2022/23 Q3	Benefits from 2022/23 Q4	Total Benefits (Start of Project)
1	Pupil interactions (Newton modules) at **Thurso** Newton Room	1372				2255
2	Pupil interactions (non-Newton Modules) at **Thurso** Newton Room	0				706
3	Adult interactions at **Thurso** Newton Room	0				187
4	Pupil interactions (Newton modules) at **Fort William** Newton Room	434				895
5	Pupil interactions (non-Newton Modules) at **Fort William** Newton Room	19				367
6	Adult interactions at **Fort William** Newton Room	0				90
7	Pupil interactions (Newton modules) at **Inverness** Newton Room	2320				2320
8	Pupil interactions (non-Newton Modules) at **Inverness** Newton Room	0				0
9	Adult interactions at **Inverness** Newton Room	0				0
10	Pupil interactions (Newton modules) at **Dingwall** Newton Room	1963				2123
11	Pupil interactions (non-Newton Modules) at **Dingwall** Newton Room	26				26
12	Adult interactions at **Dingwall** Newton Room	0				0
13	Pupil interactions (Newton modules) at **Pop-Up** Newton Room	1472				1472
14	Pupil interactions (non-Newton Modules) at **Pop-Up** Newton Room	0				0
15	Adult interactions at **Pop-Up** Newton Room	0				0
16	Pupil interactions (Newton Modules) **NOT at a Newton Room**	272				2079
17	Pupil interactions (non-Newton Modules) **NOT at a Newton Room**	154				3227
18	Adult interactions **NOT at a Newton Room**	0				677
19	Other	6				6
	TOTAL INTERACTIONS					**16,430**
20	Additional financial investment secured	£0				£46,927

| 5.   Financial Profile for Life of Programme *(CRD Funding only)* | | | | | | Funding: £ 3,000,000 |

2022/23	Q 1	Q 2	Q 3	Q 4	Total
Forecast Spend @ Apr-22	£142,229	£250,326	£172,972	£176,972	**£742,499**
Revised Forecast Spend (In-Year)	£136,997	£255,619	£172,971	£176,912	**£742,499**
Actual Spend	£134,619.63	£0	£0	£0	**£134,619.63**

** Claims submitted in Q1 2022/23 for April-May 2022

6. Summary of key costs against budget current year				
Ref	**Cost Item**	**Budget**	**Actual Spend**	**Explanation**
1	Salaries and T&S (SSA Core Team & SEOs)	£369,000	£84,396	£10k underspend due to delays in recruitment
2	Marketing	£27,000	£2,006	
3	FIRST Scandinavia contract	£9,000	£3,000	
4	Evaluation	£30,500	£120	
5	Programme development	£79,600	£26,959	£5k Newton Module development invoice still to be received; significantly less on consultants to date
6	Inverness Interim NR (light refurbishment, furniture)	£84,000	£0	
7	Newton Modules	£29,500	£7,954	Less kit required to be procured than initially anticipated
	Total	**£628,600**	**£124,435**	

Innovative Assisted Living (Fit Home)

1. Management Summary					
Summary:	**Overall Project Status**	**Progress against Plan**	**Financials**	**Benefits**	**Risk Register**
This Report	A	A	A	A	A
Last Report	A	R	R	A	R
Main Reasons for Change	No additional funding identified for the Lairg build. Not possible to deliver with current funding agreements.	11 units completed, 8 remain under Construction. Progress on grant/contract award for 10 units at Nairn. 4 units at Lairg under MOU to give option to acquire site.	Potential for More Homes to cover funding shortfall subject to financial appraisal. Bulk of 21/22 funding expected to be spent by end of fy.	Benefit Realisation Plan submitted to THC.	Tech installations and build making good progress. Key funding risks have clear plans. Covid remains a risk.

2. Executive Summary

Key update: Positive dialogue with More Homes to establish level of additional subsidy to support excess cost for Nairn, resulted in formal Offer of Grant being received 07th June 22. Technology pilot extended to cover people leaving institutional care where it might help address challenges of exploitation, inexperience of independent living and learned behaviours that adversely impact sustaining tenancies.

Key Progress: Handover has taken place for the 11 units at Dingwall Castlepark (completion achieved April 2022) and Inverness Stratton Farm (contracts completion January 22, now being reported as due in July 22). Data Processing Impact Assessment with NHS Highland has been approved. Knowledge Transfer Partnership being developed for next stage innovation. Change Request submitted to formalise the shift from modern methods of construction to traditional build.

Construction: Dingwall, Castle Park - 11 units: Complete.

Nairn, Cawdor Road - 10 units: Albyn owned site; planning in place; 4 contractors bid for project and have been short listed to tender for construction contract. Project costs have been through Scottish Government Technical Review, formal submission to More Homes for grant award made and successful Offer of Grant received for required additional subsidy.

Inverness, Stratton Farm - 8 units: Highland Council owned site; THC have construction underway; AHS have concluded missive with THC for units purchase, THC advised further slippage from May to July 22. Allocations process complete.

Lairg - 4 units: LDCI owned site; legal document to secure site purchase agreed, not yet signed; planning consent in place for total 8 homes. Development costs higher than average due to necessary site infrastructure works, but not yet assessed with accuracy. Additional routes for funding need to be explored. Progress being made to allow tenders to be issued summer 22.

Tongue - 4 units: Wildlands to report back on discussions with Highland Council and NHS. Independent evaluation of commercialisation potential and route being carried out.

Technology: Dingwall Castle Park: allocations are finalised. Sign-ups commenced on 6th April in phased handover.

Inverness Stratton Farm: allocations are actively being considered with 3 meetings already taken place.

Nairn Cawdor Road: allocations meetings on-going. NHS currently matching clients with properties.

Three veterans have been offered properties in Dingwall through the mainstream Common Housing Register. 5 nominations have been put forward for Inverness by Veterans Housing Scotland (VHS).

The DPIA is finalised.

All 8 retrofits are now allocated. We are testing monthly meetings with care providers and using the same monitoring system across multiple support agencies.

The CRD Undertaking foresaw a need to put the technology onto a long-term footing to derive benefits after the CRD programme had ended. We are actively applying for further funding and seeking new partnerships.

3.	Implementation Plan				
Ref	Milestone	Description	Original Date	New Date	Comment
1	Dingwall 11 homes complete	11 homes complete. Tenants allocated.	01/9/2020	Apr 2022	Completed
2	Inverness 8 homes complete	8 homes being built by a partner under a purchase on completion arrangement.	Jan 2022	Jul 2022	Due to complete July. Allocations being finalised. There have been multiple delays in the schedule for these homes which is out with Albyn's control as we have a Purchase on Completion arrangement with THC.
3	Nairn 10 construction-ready	10 homes planned. Tenders received. Costs exceed funding available. Additional funding sought from Scottish Govt.	Mar 2022	Jul 2022	Offer of Funding received to meet project shortfall, process to accept offer underway and subsequent build contract award. Allocation's meetings have commenced.
4	Nairn complete - handover	Funding now confirmed and start date under negotiation which will impact on completion. Jul 23 is the current expected completion date.	Mar 2022	Jul 2023	Await revised construction programme, following positive progress on funding.
5	Lairg Tender Application approval	3 homes in Lairg. Complexities due to site, location and negotiation with the community who own the land.	Jul 22	Sep 22	Negotiations remain challenging, progress slow, critical stage will see project tendered
6	UI Contract Awarded to preferred bidder.	Contract with software developer to build a user interface to the data collected from homes	Mar 2022	Jun 2022	Initial request for tenders produced a limited response and caused a delay. We have re-tendered and are shortlisting.
7	UI launched to interface users	UI deployed and users able to access it securely	Jul 2022	Oct 2022	Timescales to be decided with selected contractor. Delay results from the contract award slippage set out above.
8	Evidence of benefits presented	Independent assessment of benefits completed by university partners to evidence the impact of the technology in line with the benefits realisation plan.	Apr 2023	Jul 2023	Discussions with University partner teams is underway to commission a number of benefit studies to provide and evidence-based evaluation of system benefits.

4.	Benefits Realisation

Ref	Measure	Description - *Impact of benefit*	Benefit Type	Realisation Starts	Realisation Ends
1	People able to remain in their own homes longer following significant changes in health or mobility and as they near end of life.	The technology may enable better-timed and more informed Care Needs Assessments and the homes are all build to Assisted Living specifications. Study to demonstrate whether the technology delivers these or related benefits dependent on building works completing to enable installations, improved system UI and sufficient time to allow benefits to be witnessed. Benefits to the pilot participants unlikely before Q3.	Increased efficiencies	2022	2027
2	Better health and care outcomes from predictive health technology	The technology plan supplies data to GPs and others who can use the information in a predictive and confirmative manner. We expect to capture evidence of this and other beneficial outcomes. As above, benefits to pilot participants unlikely before Q3 and subject to GP capacity.	Increased efficiencies	2022	2027
3	More efficient and cost-effective health and care services which produce better outcomes.	Potential cost savings from having objective data and better case prioritisation. It may enable patients to be released from hospital earlier with sensors to monitor their wellbeing. Realising these benefits will require operational changes.	Increased efficiencies	2025	2027
4	Commercialisation of infrastructure and technology products.	Allow for benefits to be delivered after the CRD programme in a cost-effective way. The benefit may be that NHS / Social Care can redirect resources.	Net Revenue Generation	2022	2027
5	Boost the Highland economy	Primarily this is the economic benefit from providing homes - revenue derived from building work and material construction and supply, improved tenant wellbeing and the ongoing consumption of building-related services such as energy and maintenance. This benefit has commenced and will be largely realised once the larger developments complete in Q1 2022.	Net Revenue Generation	2021	2027
6	Recognition for research and development work	Academic research papers and conference presentations. To present at Digital Health and Care Scotland (Feb).	Reputational Value	2021	2024
7	(New draft addition - subject to project governance approval) Climate Change Impact	The homes being build are more energy efficient than the average for the housing stock which will lead to reduced energy consumption over the lifetime of the building.	Climate	2022	2072 (assume 50 yr life)

5.	Financial Profile for Life of Programme *(CRD Funding only)*					Funding: £ 3,000,000

2022/23	Q 1	Q 2	Q 3	Q 4	Total
Forecast Spend @ Apr-22	£203,606	£496,454	£100,700	£23,598	£824,358
Revised Forecast Spend *(In-Year)*	£25,782	£172,876	£400,700	£225,000	£824,358
Actual Spend	**£25,782**				**£25,782**

6. Summary of key costs against budget current year

Ref	Cost Item	Budget	Actual Spend	Explanation
1	Build Programme	£694,973	£2,664	Nairn contract not yet started
2	Technology Development	£73,504	£12,237	UI Tender expected to be awarded in Q1, will now be in Q2
3	Project Management	£27,828	£3,360	Moving to in house PM service
4	Staff Costs	£28,053	£7,521	No comment
	Total	£824,358	£25,782	

* It is unlikely that a partner will support and fund the technology work until benefits have been proven in the trial. By a September 2022 review point, there may be sufficient sense of direction to engage or re-engage with entities who can provide a long-term "home".

Digital

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

2. Executive Summary
Initial proposals have been presented to the Digital Working Group. High level market engagement commenced. Further options paper will be submitted in August. This will provide early feedback from the industry on the proposed plans.

3. Implementation Plan					
Ref	**Milestone**	**Description**	**Original Date**	**New Date**	**Comment**
1	Updated plans for use of the funding provided to Working Group	Options on how funds can be used to complement existing projects.	Q4 2020/2021	30/06/2022	Discussions with potential suppliers to determine appetite for delivering a project in the region. Continued engagement with Scottish Government and UK Government on ability to build on existing digital projects.
2	Updated options to be provided	This will report on feedback from the industry	02 2022/2023		Market engagement has commenced
3	Reach mutually acceptable plan for use of funding	Decide on the appropriate contractual vehicle for the funds	30/09/2020	31/08/2022	Key decision on whether HIE can be the contracting body. Alternative options to be considered if this is not possible.

4. Benefits Realisation					
Ref	**Measure**	**Description** - *Impact of benefit*	**Benefit Type**	**Realisation Starts**	**Realisation Ends**
1	Business premises capable of receiving with improved broadband				

2	Residential premises capable of receiving with improved broadband				

5. Financial Profile for Life of Programme *(CRD Funding only)*						Funding: £ 20,000,000

2022/23	Q 1	Q 2	Q 3	Q 4	Total
Forecast Spend @ Apr-22	0.0	0.0	0.0	0.0	0.0
Revised Forecast Spend *(In-Year)*					
Actual Spend	0.0	0.0	0.0	0.0	0.0

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

Transport Infrastructure - Longman Junction (Transport Scotland)
A9/A96 Inshes to Smithton Scheme

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

2. Executive Summary
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.
Following completion of route option assessment work (Design Manual for Roads and Bridges (DMRB) Stage 2 assessment) and further design development and assessment of the preferred option (DMRB Stage 3 Assessment) for the A9/A96 Inshes to Smithton Scheme, Transport Scotland published draft Orders and an Environmental Impact Assessment Report (EIAR) for the scheme on 13 September 2019.
The scheme will provide a new link road connecting between Culloden Road and Smithton Junction and will include new junctions at Ashton Farm and Cradlehall, a new link to the Inverness Retail and Business Park and a bridge over the Highland Main Line railway. Additional lanes will also be added across the A9 at Culloden Road, providing two lanes of traffic in either direction, along with an additional lane on the A9 southbound to improve the operation of the Trunk Road. The scheme will provide over 7Km of enhanced facilities for cyclists and pedestrians, including a 3-metre shared surface on both sides of the carriageway and a dedicated cycleway and separate footway linking to Inverness Retail and Business Park. The cycling and pedestrian facilities will also connect into the existing core path, local path and national cycle networks.
As part of Transport Scotland's on-going engagement programme, public exhibitions were held in Raigmore and Smithton on 25 and 26 September 2019 respectively to give members of the public and other stakeholders an opportunity to see further details of the proposals, the EIAR and draft Orders. The material presented at the Public Exhibitions, copies of the draft Orders and the EIAR are available from Transport Scotland's website at the link below.
https://www.transport.gov.scot/projects/a9a96-inshes-to-smithton
The Statutory Consultation Period has now concluded with the Scottish Ministers having considered the remaining objections and published their Decision Letter of 28 February 2022. This confirms that a Public Local Inquiry is not necessary and that Orders should be made as published. A copy of the letter is available on the Transport Scotland website at the link below:
https://www.transport.gov.scot/media/51563/a9-a96-inshes-to-smithton-decision-letter.pdf
Transport Scotland will now take forward the necessary procedural steps which are required to be completed to take the powers required to finalise the acquisition of land and complete the statutory process. Construction of the scheme itself can only commence if the scheme is approved under the relevant statutory procedures and thereafter a timetable for its progress can be set.

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

A9/A82 Longman Junction Improvement

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

2.   Executive Summary

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

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

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

The preferred option is now being developed and assessed in detail, which will lead to publication of draft Orders and Environmental Impact Assessment Report (EIAR) for formal comment. Building on the extensive 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.

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 scheme, Transport Scotland has continued to work in collaboration with The Highland Council during the development and assessment of the scheme given their significance as a major landowner and local roads authority. Furthermore we have conducted positive

discussions with The Highland Council regarding potential developments around the Longman area which may come forward in advance of major junction improvements.

3.	Implementation Plan				
Ref	Milestone	Description	Original Date	New Date	Comment
	A9/A96 Inshes to Smithton	Publication of A9/A96 Connections Study Report	March 2016		
		Completion of Design Manual for Roads and Bridges (DMRB) Stage 2 Route Options Assessment and identification of preferred route option	October 2017		
		Public design update for scheme and identification of preferred scheme variant	May 2018		
		Completion of DMRB Stage 3 Assessment, publication of draft Orders and Environmental Impact Assessment Report	September 2019		
		Completion of Statutory Process	Timescales dependant on completion of the necessary procedural steps which are required to be completed to take the powers required to finalise the acquisition of land and complete the statutory process.		
	A9/A82 Longman Junction Improvement	Appointment of scheme consultants	August 2017		
		Options Public Exhibition	May 2018		
		Completion of Design Manual for Roads and Bridges (DMRB) Stage 2 Route Options Assessment and announcement of preferred option	June 2019		
		Publication of draft Orders	Timescales subject to conclusion of the Design Manual for Roads and Bridges (DMRB) Stage 3 Assessment. Progress thereafter is dependent on the level and nature of formal		

			representation received in response to the published draft Orders and whether a Public Local Inquiry will be required to consider objections made and not withdrawn.		

4.	**Benefits Realisation**					
Ref	**Measure**	**Description** - *Impact of benefit*		**Benefit Type**	**Realisation Starts**	**Realisation Ends**
		We assess the impact of each road improvement scheme and compare conditions after the schemes have opened with predictions made during their design and development. Further information can be found on the Transport Scotland website at: https://www.transport.gov.scot/transport-network/roads/project-evaluation/				

5.	**Financial Profile for Life of Programme** *(CRD Funding only)*	**Funding: £109,000,000**

Project	Spend 2019/20 £	Spend to end of FY 2020/21 £	Spend from Deal Signing to 04 April 2022* £	Total Funding Awarded £
A9/A82 Longman Junction Improvement	£2,391,223.99	£6,238,352.76	£7,110,147.86	
A9/A96 Inshes to Smithton	£843,609.29	£5,181,374.39	£6,158,491.31	
Total for both projects	£3,234,833.28	£11,419,727.15	£13,268,639.17	£109,000,000.00

*Spend to be provided bi annually

Transport Infrastructure - Inshes Junction (The Highland Council)

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

2. Executive Summary
A planning submission will be made for the scheme in 2022, this will include a new access from Old Perth Road into the northern end of the Drakies Estate at Drumossie Avenue, a new access to the police HQ from Sir Walter Scott Drive and a new access from Culloden Road into the Inshes Retail development. In addition there will be alterations to the existing road corridor from the A9 to the Fluke Roundabout. Transport Scotland are proceeding with the design and statutory processes for the construction of the A9/A96 Smithton to Inshes Link scheme which will include a new bridge crossing of the A9 to tie into the Inshes Phase 2 proposals.

3. Implementation Plan					
Ref	Milestone	Description	Original Date	New Date	Comment
1	City and Area Committee Report	To review the changing transport priorities and the potential impact on the scheme layout – with approval sought to consult on a variety of layouts with differing objectives and outcomes	19/11/20	27/5/ 21	Complete
2	Beechwood access	An essential element of the scheme to reduce access locations to improve traffic capacities.	30/10/20	6/04/21	Complete
3	Consultation	Consultation to be carried out to determine views on differing layouts which achieve differing outcomes and objectives.	31/03/21	June21-Oct 21	Consultations are complete
4	Committee Approval of Preferred Option	Selection of preferred option and approval to promote necessary consents	31/10/21	18/11/21	City Committee approval
4.1	Submit Planning	Submit planning application and documents	30/08/22		
4.2	Committee Report	Approval of CPO powers for the scheme	30/09/22		
4.3	Detail Design	Complete detailed design	31/03/23		
5	Obtain Construction Consents	Planning permission, traffic orders and compulsory purchase orders	31/01/23		Note timescales will be dictated by the representation period and strength of any related objections

| 6 | Start of Construction | | 1/05/23 | 1/03/24 | |
| 7 | Completion of Construction | | 31/03/23 | 20/12/25 | |

4.	**Benefits Realisation**					
Ref	**Measure**	**Description** - *Impact of benefit*	**Benefit Type**	**Realisation Starts**	**Realisation Ends**
1	Creates a more efficient transport network	Through traffic modelling and post construction counts seek to provide for more efficient management of peak time congestion and provide opportunities for public transport and active travel modes.		December 2025	20 years post opening is the measure
2	Connects with A9/A96 Inshes to Smithton Project	Coordination of design and programme delivery with linked Transport Scotland Scheme		March 2023	Dec 2025
3	Encourages active and sustainable travel choices	Shift provision and emphasis towards the new hierarchy of travel – prioritising provision for sustainable travel		March 2023	Dec 2025
4	Cost effective and on time	Contain project delivery within the allocated project budget and also achieve agreed delivery programme determined by the Council		March 2024	Dec 2025

5.	**Financial Profile for Life of Programme** (CRD Funding only)					**UK/SG Funding: £n/a**

2022/23	Q 1	Q 2	Q 3	Q 4	Total
Forecast Spend @ Apr-22	£34,750	£34,750	£34,750	£34,750	£139,000
Revised Forecast Spend *(In-Year)*	£10,000	£43,000	£43,000	£43,000	£139,000
Actual Spend	**£10,000**				**£10,000**

6.	**Summary of key costs against budget current year**			
Ref	**Cost Item**	**Budget**	**Actual Spend**	**Explanation**
1	Scheme Delivery	£139,000	£10,000	Staff availability has resulted in a slow start to design work this year.
	Total	£139,000	£10,000	