

# The Highland Council

<b>Agenda Item</b>	<b>9</b>
<b>Report No</b>	<b>ECI/48/24</b>

**Committee:** Economy and Infrastructure

**Date:** 14 November 2024

**Report Title:** Inverness & Highland City Region Deal – 2023/24 Annual Report

**Report By:** Assistant Chief Executive - Place

## **1 Purpose/Executive Summary**

- 1.1 This report presents the Inverness & Highland City-Region Deal (IHCRD) Annual Report for the financial year 2023/24.
- 1.2 Producing the Annual Report is an obligation of the IHCRD undertaking, and forms part of the Annual Conversation, with the 2024 Conversation meeting to be held 21 November 2024 between The Highland Council Chief Executive, Senior Council Officers and Senior Deal representatives from UK and Scottish Governments.

## **2 Recommendations**

- 2.1 Members are asked to **note and approve** the IHCRD Annual Report as a record of the activity and delivery during 2023/24.

## **3 Implications**

- 3.1 **Resource** - No implications are highlighted for this report.
- 3.2 **Legal** - No implications are highlighted for this report.
- 3.3 **Risk** - The report does not highlight risks outside of the governance and risk management processes in place which include the IHCRD Programme Board and the City Region Deal Monitoring Group. These processes are established to manage the implications of risks and issues affecting projects and the overall Programme.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – No implications are highlighted for this report.
- 3.5 **Gaelic** - No implications are highlighted for this report.

## 4 Impacts

- 4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.
- 4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.
- 4.3 This is an update report and therefore an impact assessment is not required.

## 5 Introduction

- 5.1 The Highland Council is the lead body for the Inverness & Highland City-Region Deal which is being implemented through a partnership between the Council, Highlands and Islands Enterprise, The University of the Highlands & Islands (UHI), and Albyn Housing Society Ltd.
- 5.2 Since the signing of the Deal in 2017, both public and private investments have continued to grow, contributing to an overall Deal value worth £401.1m. This growth underscores the strong commitment from all stakeholders to drive economic development and innovation in the region.

## 6 Project Progress

- 6.1 The projects within the Deal are shown in **Appendix 1** Inverness & Highland City-Region Deal Annual Report 2023/24. This provides a description and an update on the progress of each project, as well as a look forward to planned delivery over the coming period.

Progress against the projects is reported to the City Region Deal Monitoring Group quarterly in a consistent format which provides for visibility on status, progress, risk, and where remedial action may be necessary. Highlights for the 2023/24 period are summarised in the following sections of this report.

### 6.2 Life Sciences Innovation Centre

Following the opening of the Life Sciences Innovation Centre in March 2023, activities have focused on equipping the laboratories with major scientific equipment and promoting collaboration opportunities with businesses.

In Autumn 2023, UHI's health innovation team welcomed the arrival of a new mass spectrometer and a physical vapour deposition chamber, devices which support research in areas such as the pharmaceutical contamination of hospital wastewater, peatland resilience and aquaculture. The equipment will also help researchers explore how antimicrobial coatings could be used on pacemakers and catheters to reduce the risk of infection.

This new equipment was showcased during a visit by the Parliamentary Under Secretary of State for Scotland, who toured the new Life Sciences Innovation Centre.

### 6.3 **Science Skills Academy**

Through the established network of permanent and Pop-Up Newton Rooms, covering The Highland Council area, the Science Skills Academy delivered 8,252 engagements in 2023/24, and has made good progress in working towards the expected strategic objectives to be delivered through the Deal.

2023/24 saw the Science Skills Academy complete the Deal funding, attracting funding for ongoing operations through both public and private sectors, with a view to establishing a sustainable business model for 2024/25 and beyond.

### 6.4 **Innovative Assisted Living (FitHomes)**

Albyn Housing Society progressed 10 FitHomes in Nairn and units were completed in November 2023. All units have now been allocated, with tenants in residence.

The remaining 4 FitHomes in Lairg, a development on land donated by the local community group Lairg Community Development Initiatives, were delivered and allocated to tenants in early 2024.

Working with one of Albyn's partners, a further 9 additional retrofit properties were tested with the technology focusing on vulnerable people leaving institutional care who are homeless (people leaving prison and young people leaving care, and people with addiction) with the aim of assisting them in to mainstream housing.

### 6.5 **Inverness Castle**

The construction project which started in April 2022, progressed successfully throughout 2023/24, and is due to conclude in winter 2024/25.

Design work to develop the Inverness Castle Experience advanced at pace during the year, with detailed interpretation now complete for the gardens and South Tower. Significant progress was also made in finalising the designs for the interpretation within the North Tower, the West Tower, and food and beverage and retailing experiences.

The Spirit of the Highlands and Islands project is now complete. The content created and collected during the project will be incorporated into the physical interpretation both within the castle and the digital assets supporting the promotion of the Inverness Castle Experience. In addition, the 57 panels of the Tapestry of the Highlands and Islands panels were finished and will form the first exhibition in the new gallery in the North Tower when the castle opens.

An Operations Management Partner was appointed and will work with the Project Team to provide specialist experience in opening and operating visitor attractions. One of the key areas of their work will be to support the recruitment and training of the new Inverness Castle Experience team. Two of the key areas of support provided have been developing the recruitment schedule and the training programme for the new Inverness Castle Experience team and in implementing the Marketing Plan for opening.

## 6.6 Affordable Housing

During 2023/24 a total of 48 homes were completed in projects in Dornoch, Dulnain Bridge, Kirkhill, Nairn and Rosemarkie, with another 78 developments on site, which will deliver 168 homes within several projects including Blar Mhor Ph2, Fort William, Tornagrain, Alness, Inverness and Conon Bridge. Young people being the first tenants in approximately 71% of these new homes.

Also of note for 2023/24, was the delivery of midmarket rent homes remaining robust, with the programme on target.

Whilst the reduction in Scottish Government funding has made retaining momentum in the programme challenging, with creative use of front funding both by the Council and partners, delivery was kept on track.

## 6.7 Northern Innovation Hub

The projects within the programmes progressed well in 2023/24, and delivery included 4 cohorts for IMPACT30 and 3 for Pathfinder Accelerator, 32 XpoNorth Digital events and 11 for Food and Drink TechHUB. The Life Sciences and Technology programme Pathfinder Accelerator completed its final cohort taking the total number of enterprises supported to 150, with a final celebration event which included a showcase featuring 6 benefitting businesses.

2023/24 was the final year of the Developing Mountain Biking in Scotland (delivered by Scottish Cycling) supporting the development of this subsector in Lochaber, Cairngorms and North Highlands, and the conclusion of the Let's Grow Adventure Tourism programme. With a total 406 tourism enterprises having been supported through the Tourism projects.

NEXUS coworking space on Inverness Campus was upgraded, providing improved facilities to users. This area has supported 6 tenant users, and 9 additional businesses were given soft-landing agreements allowing flexible use of the space.

The Food and Drink TechHUB project was reviewed as the plans for a physical facility did not progress as the industry is experiencing challenges due to the current economic climate, and as a result their needs have changed from when the project was originally designed. Following the approval of a Change Request a new programme of activity is to be designed to complement the support already on offer. This includes several measures to increase the level of technology implementation and support the transition to Net Zero.

## 6.8 Longman Land Remediation

During 2023/24, the Project has been collaborating with a prospective hydrogen developer to explore the possibilities of producing and distributing hydrogen on-site once the land remediation is complete. This initiative is a component of the Green Freeport outline business case, which aims to establish a sustainable and eco-friendly energy infrastructure. The inclusion of hydrogen production and distribution aligns with the broader goals of reducing carbon emissions and promoting renewable energy sources in the Highlands.

The Council has been working to finalise the land requirements necessary to support the development of the land. This step is critical to ensure that all spatial and logistical needs are adequately addressed, paving the way for the next phases of the project.

Additionally, the Project has been working closely with NatureScot to finalise plans for mitigating the impact on local badger populations once the land requirements are confirmed. These mitigation plans are essential to balance development with the preservation of local wildlife, ensuring that the project's environmental footprint is minimised. The collaboration with NatureScot highlights the commitment to maintaining biodiversity and protecting natural habitats while pursuing ambitious infrastructural developments.

## **6.9 Transport Infrastructure – Highland Council**

### **Inshes Junction**

The design of the scheme has progressed and has been submitted for planning permission to progress to construction. Key activities were 3d design, drainage design, flood risk assessment, ecology survey and reporting, as well as further public consultation related to the planning application.

## **6.10 Transport Infrastructure – Transport Scotland**

### **A9/A96 Inshes to Smithton**

Transport Scotland continued to take forward the necessary procedural steps required to be completed to take the powers required to finalise the acquisition of land and complete the statutory process.

Whilst out with the 2023/24 reporting timescale, Members are advised that the Made Road Orders and Compulsory Purchase Orders were made on 14 May 2024 and came into force on 20 June 2024.

### **A9/A82 Longman Junction**

During 2023/24, Transport Scotland continued to progress the detailed development and assessment of the preferred option.

Notwithstanding, and as agreed at the 14 March 2024 Council, officers undertook to progress discussions with Government officials to determine whether there was scope to include the Corran Ferry Vessel Replacement as a City Region Deal funded project to replace the A9/A82 Longman Junction project. The recommendation to submit a formal request was approved by the IHCRD Programme Board, with the request being put to Scottish Ministers to consider through the Deal Change Management Process.

## **6.11 Highland Air Access**

2023/24 has seen the SATE (Sustainable Aviation Testing Environment) lead partner role transition to HITRANS allowing a stronger link to the wider transport strategy for the Highlands and Islands and opportunities to explore wider testing of sustainable aviation beyond the main SATE test centre at Kirkwall Airport.

The year saw Arc Aerosystems conduct tethered trials of the ARC C-600 autonomous aircraft at Wick John O'Groats Airport in November 2023.

Other highlights for the year included the Hybrid Air Vehicles Airlander concept of operations study completed showing this aircraft can deliver cost effective, low emission passenger and freight transport to communities across the Highlands and Islands. Cranfield Aerospace joined the SATE consortium to progress the development of Hydrogen propulsion technology in aircraft and infrastructure requirements for fuelling.

This activity is not supported through the City-Region Deal but represents additionality achieved through the collaborative work fostered through the City-Region Deal.

#### **6.12 Corran Ferry**

During 2023/24, two Change Requests were initiated and progressed relating to the Corran Ferry Infrastructure and the Vessel Replacement.

In February 2024, the Change Request to redirect £20m funding from the Digital Project to the Corran Ferry Infrastructure Project was formally approved, and with the Council meeting of 14 March 2024 approving £10m matched funding, this project is now incorporated into the Deal programme and related governance.

As referred to earlier in this report, a Change Request relating to the Vessel Replacement and the A9/A82 Longman Junction has been submitted for ministerial approval. Subject to approval, the Vessel Replacement Project will be incorporated into the Deal.

### **7 Governance**

7.1 The Deal projects are reported to the quarterly Inverness & Highland City-Region Deal Programme Board, chaired by the Assistant Chief Executive - Place, and attended by the lead officers for each project, a representative from the Council's Finance Service, and both the Scottish and UK Governments.

The Programme Board reports to the Economy and Infrastructure Committee and undertakes the following role:

- 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;
- resolves strategic and operational issues between projects; and
- monitors project status, financial commitments and risks for assurance of successful project delivery.

7.2 Progress is also monitored on a quarterly basis by the City Region Deal Monitoring Group.

### **8 Government Reporting & The Annual Conversation**

8.1 As part of its role as Accountable Body for the Inverness and Highland City-Region Deal, the Council provides regular reports to the UK and Scottish Governments on project progress and programme management activities.

- 8.2 The Annual Conversation will be held on 21 November 2024, with the principal attendees being the Chief Executive, Assistant Chief Executive - Place, and Scottish and UK Government Heads for Regional Economic Development and for City Deals. Officers from each of these institutions will also be in attendance.
- 8.3 The Annual Report for 2023/24 will inform the Annual Conversation, providing the opportunity to assess progress to date, consider the prevailing key challenges and risks, and to acknowledge the planned activity and delivery for the current year and beyond.

Designation: Assistant Chief Executive - Place

Date: 14 October 2024

Author: Matt Bailey, Programme Manager - IHCRD/UKSPF

Background Papers: None

Appendices: Appendix 1 - Inverness & Highland City-Region Deal Annual Report 2023/24

# Inverness & Highland City-Region Deal



## Cùmhnant Baile-Roinn Inbhir Nis & na Gàidhealtachd



### Annual Report Aithisg Bhliadhnail 2023/24



Funded by  
UK Government



The Highland  
Council  
Comhairle na  
Gàidhealtachd



Scottish Government  
Riaghaltas na h-Alba



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# 1

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

It is my great pleasure to introduce the 2023/24 Annual Report for the Inverness and Highland City-Region Deal. The report presents excellent progress of the Deal between April 2023 and March 2024, a testament to the collaborative approach of partners.

Highland has significant opportunities for economic growth, including the Inverness and Cromarty Green Freeport, renewables, tourism, and culture, with the Deal continuing to be an important part of delivering positive impacts across The Highland Council area.

Despite the ongoing and significant cost inflation challenges across all sectors such as the construction industry, the Inverness Castle construction project progresses well and on target, new affordable homes for young people continued to be delivered throughout the Highlands, and the landside infrastructure project for the Corran Ferry was brought into the Deal, supporting a lifeline service to fragile rural communities.

So significant progress has been made across the Programme, and I would like to thank the CRD team and all in The Highland Council, our six deal partners, Scottish and UK Government officials for their commitment to continuing their efforts to deliver the very best from this investment to our communities.



A handwritten signature in black ink that reads "Raymond". The signature is stylized with a long horizontal line extending to the right.

**Raymond Bremner**  
Leader of The Highland Council

# City-Region Deal Overview

## Àrd-shealladh dhen Chùmhnant Bhaile-Roinne

We are now into year eight of the ten-year Inverness and Highlands City-Region Deal (IHCRD). The deal signed on 30<sup>th</sup> January 2017 committed up to £188.1 million of funding from both the Scottish and UK Governments over the 10-year term of the deal ending in March 2027.

The Scottish Government will invest up to £135 million and the UK Government up to £53.1 million. We believe we are on track to address the challenges currently facing the region, and to capitalise on the substantial opportunities and investment presented by the Deal.

The Deal aims to deliver sustainable and inclusive economic growth by:

- creating new well-paid jobs in the private sector;
- encouraging young people to remain within the region and attract young people to move to the region;
- boosting the region's growing sectors such as tourism and life sciences;
- building affordable homes;
- promoting innovation, internationalisation and new partnerships between the region's many small businesses; and
- improving connectivity through investments in transport.

Through conversations with the Scottish and UK Governments and the Scottish City Region and Growth Deal Delivery Group, the Inverness and Highland City-Region Deal partners appreciate that its developmental nature inspires a renewed focus on inclusive growth as well as delivering on health outcomes and place making.

The Inverness and Highland City-Region Deal is built up of six partners who co-ordinate and drive the component projects. These organisations are The Highland Council, Highlands and Islands Enterprise, the University of the Highlands and Islands, Transport Scotland, Albyn Housing Society limited and HITRANS.

In addition to the project leading partners, there are a number of significant contributing partners and organisations who support the Deal via the provision of expertise and access to networks, providing the role of the critical friend and selling the benefits of the Deal and the region.



# Achievements in 2023/24

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

During March 2024 the village of Lairg welcomed the first new social housing in the village since the 1990s. Albyn Housing Society limited, one of the largest social housing providers in the Highlands, has completed the construction of a £2.3m development of eight new specialist dwellings. The development is on derelict land which has lain empty since the demolition of the Sutherland Arms in 2007. The land has been donated by the local community group, Lairg Community Development Initiatives (LCDI), now comprises four two-bedroom wheelchair accessible bungalows and four one-bedroom Fit Homes with stunning views of Loch Shin.

## **Life Sciences Innovation Centre**

In Autumn UHI's health innovation team has welcomed the arrival of a new mass spectrometer and a physical vapour deposition chamber at the Life Sciences Innovation Centre in Inverness. Officially opened by HRH The Princess Royal in April, the £9.5m facility is located on Inverness Campus. The new equipment will enhance research in areas such as the pharmaceutical contamination of hospital waste water, peatland resilience and aquaculture. Additionally, it will enable researchers to investigate the potential of antimicrobial coatings on pacemakers and catheters to reduce the risk of infection. This new equipment was showcased during a visit by John Lamont, Parliamentary Under Secretary of State for Scotland, who toured the new Life Sciences Innovation Centre.



## **Inverness Castle**

In July 2023 the last remaining tapestry panels were handed over, by stitching groups from across the region, to the design team from the Tapestry of the Highlands and Islands Project.

Across the regions 660 stitchers volunteered to be part of this community-led project with stitching groups being formed to work on individual panels. Over 18 months they have been sharing techniques, meeting fellow stitchers and working with the materials, much of which has been donated from local businesses, yarns and resources which has helped produce the 56 panels that are showcased in the Tapestry of the Highlands and Islands. The panels have now been framed and form part of the opening exhibition in the North Tower of the Castle.

Progress on the main construction contract continues with work to create the new link building advancing, as is the construction of the new west terrace.

## **Northern Innovation Hub**

The Food and Drink TechHUB Business Support Service delivered workshops on a wide selection of topics from 'green marketing', food trends and new product development to smartphone photography. They have also established common interest groups to support businesses with the latest being waste management, particularly in-vessel composting.

Co-working space at NEXUS finished the year with six businesses leasing office suites.

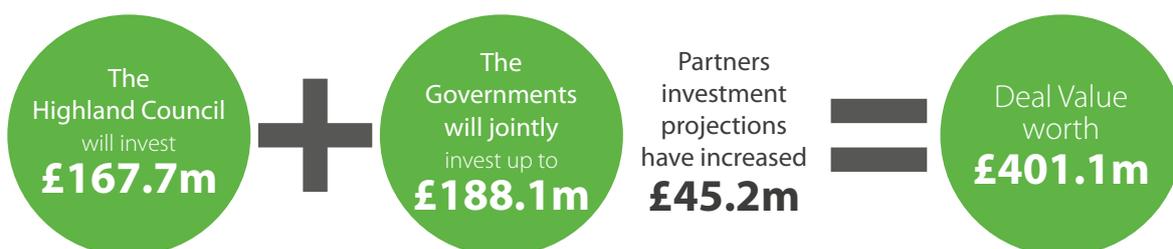
IMPACT30's fourth and final cohort for the year started in February bringing the total to 53 enterprises from The Highland Council area. Cohort 13 which will start in May 2024.

The life sciences project Pathfinder Accelerator completed this year. After 15 successful cohorts and final reporting, a wrap-up alumni event was held to celebrate the programme outcomes.

# Investment Breakdown 2023/24

Since the signing of the Deal, both public and private investments have continued to expand considerably. Partner investment projections have increased to over £45.2 million, contributing to an overall Deal value that now exceeds £401.1 million. This growth underscores the strong commitment from all stakeholders to drive economic development and innovation in the region.

Below is the latest summary of the total contributions and impacts associated with the City-Region Deal.



Project	Total £	UKG/SG £'000	THC £'000	Partners £'000
Life Sciences Innovation Centre <sup>1</sup>	12,775,109	9,000	0	3,775,109
Northern Innovation Hub <sup>1</sup>	12,708,161	11,000	0	1,708,161
Longman Land Remediation	10,000,000	10,000	0	0
Science Skills Academy <sup>2</sup>	3,534,000	3,000	369	165,000
Innovative Assisted Living	4,659,770	3,000	200	1,459,770
Inverness Castle <sup>3</sup>	46,003,239	18,100	15,555	12,347,785
Affordable Housing <sup>4</sup>	108,040,000	5,000	77,200	25,760,000
Corran Ferry Infrastructure	30,000,000	20,000	10,000	0
A9/A96 Inshes to Smithton & A9/A82 Longman Junction <sup>5</sup>	109,000,000	109,000	0	0
West Link & Inshes	64,356,000	0	64,356	0

1 Includes European Funding

2 THC figures includes UK Shared Prosperity Fund

3 THC Includes Inverness Common Good funding; Lottery Funding; City Centre WiFi project; Deal Development Funding;

4 Includes Prudential Borrowing (Hsg)

5 Up to £109m SG funding

# 3

## Geographical Overview Àrd-shealladh Cruinn-eòlasach

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

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

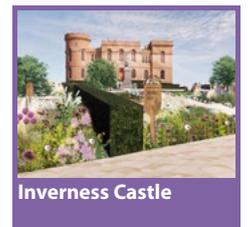
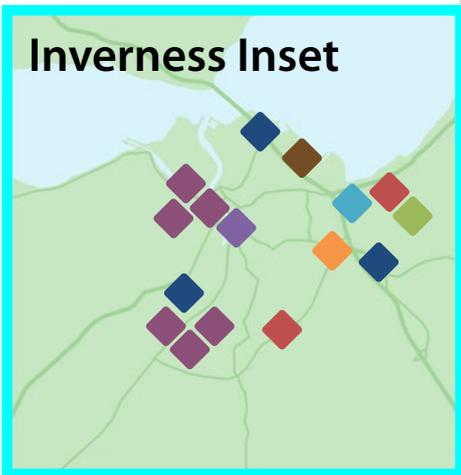
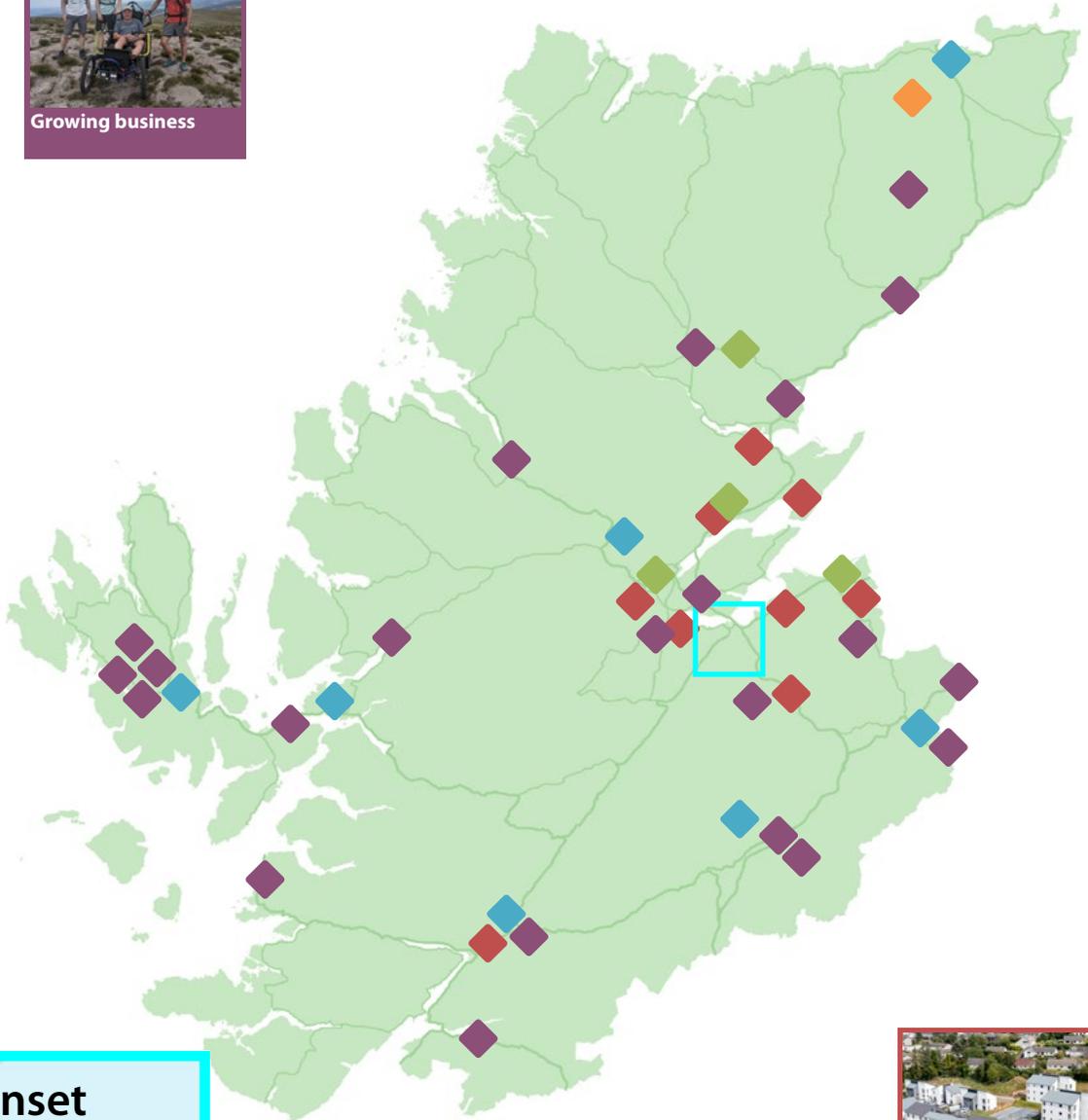
The Highlands have seen significant population growth over the last 30 years. The region has benefitted from the creation of the University of the Highlands and Islands, together with major investments in digital infrastructure and transport. However, the Highlands also faces challenges, particularly the out-migration of young people due to a lack of higher education and employment opportunities, low productivity and a low wage economy.

Results from the 2011 census show that the population of the Highlands on census day was 232,132, increasing to 238,060 in mid-2021. Between 2001 and 2021, the population of the Highlands has increased by 13.9%. Over the same period, Scotland's population rose by 8.2%.

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



# Projects across our Region -update



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Photos:  
 FIT Homes at Dingwall Castlepark by Albyn Housing Society Ltd  
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 WestLink by Scotavia  
 Equal Adventure Developments Ltd  
 Affordable Housing at Upper Achintore by Scott Donald  
 Life Sciences Innovation Centre, South facade by Austin-Smith:Lord  
 Longman area looking North by THC  
 Inverness Castle artist impression by Mather & Co

# 4

## Financial Statement 2023/24 Aithris Ionmhasail 2023/24

The current spending levels are below the original profile established in September 2016. A revised profile for the Deal was created to reflect the programme's greater maturity. This adjustment was necessary for two main reasons: first, the initial profile was set at an early stage, prior to the approval of all business cases; second, the original profile included substantial figures for the Digital Project, which no spend has occurred to date.

A Change Request was submitted and approved in-year which will see the £20m Digital Project monies moved to support the Corran Ferry Infrastructure Project, this is matched with £10m funding from The Highland Council as approved at Committee on 14<sup>th</sup> March 2024.

Three projects (Science Skills Academy, Innovative Assisted Living (Fit Homes), Inverness Castle) have now claimed all the funding within their Deal envelope, they will continue to report on benefits until the end of the Deal. Any underspend on these projects will be carried forward within the overall Deal funding and allocated at a later date with Governments' approval.

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

Please refer to the table overleaf which provides a view of the spend for 2023/24.

The table provides a view of the spend for 2023/24 and includes the cumulative position since the start of the City-Region Deal.

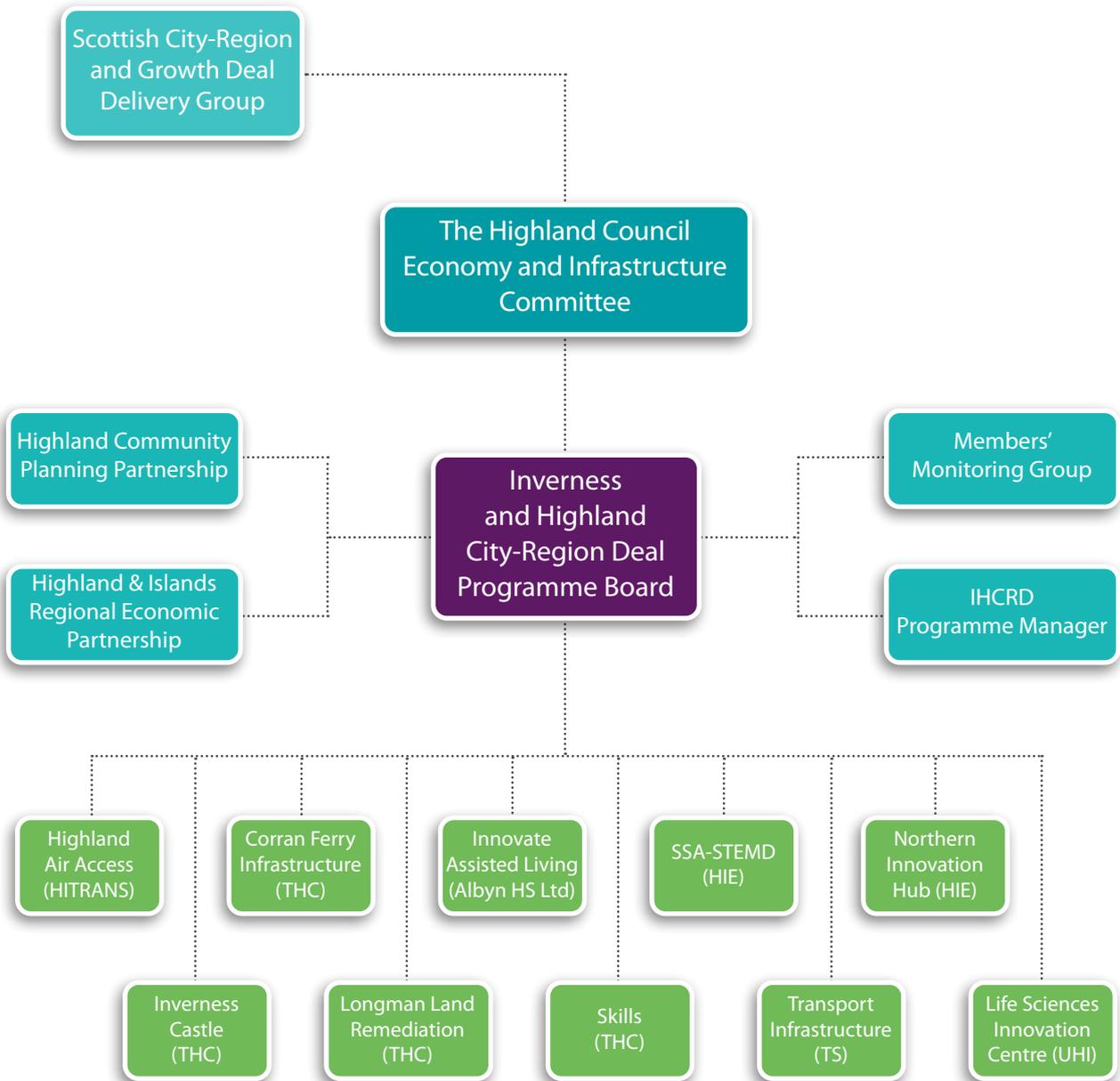
Project	Spend in 2023/24	Spend to end 2023/24	Total Government Funding	CRD Spend as % of Funding
	£	£	£	%
Life Sciences Innovation Centre	1,426,925	7,881,013	9,000,000	87.57
Northern Innovation Hub	1,559,643	7,084,540	11,000,000	64.40
Corran Ferry Infrastructure	0	0	20,000,000	0
Land Remediation	0	269,184	10,000,000	2.69
Science Skills Academy	80,148.38	2,962,221	3,000,000	98.74
Innovative Assisted Living (Fit Homes)	183,765	3,000,000	3,000,000	100
Inverness Castle*	3,811,092	18,100,000	18,100,000	100
Affordable Housing	774,000	£3,432,160	5,000,000	68.64
A9/A96 Inshes to Smithton & A9/A82 Longman Junction**	1,401,080	17,545,220	109,000,000	16.10

\* Spend Includes City Centre WiFi project, Bridge Street, Viewing Tower and the Museum and Gallery.

\*\*Scottish Government funded up to £109m.

# 5

## Governance and Accountability Riaghlachas agus Cunntachalachd



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

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

Each project has a governing body/project board which the Inverness and Highland City-Region Deal Programme Manager has access to or sits on. The role of these boards is to scrutinise progress, assist in the management of risks, issues and budget, and to encourage spend against profile. The Programme Manager provides a project assurance role for these boards. Each project within the Deal is required to have a project plan, a risk register and benefits register, and to track spend against profile.

The Programme Manager and Executive Chief Officer for Infrastructure, Environment and Economy present to the quarterly Members' Monitoring Group. This allows members to scrutinise progress and proposed changes to projects within the Programme. Quarterly progress updates are provided to The Highland Council's Economy and Infrastructure Committee, as reported to the Scottish and UK Governments. The Annual Report for the Inverness and Highland City-Region Deal is presented to The Highland Council, Scottish and UK Governments for approval.



# 6

## Look Forward Seall Air Adhart

Each year presents its own challenges, however these challenges also create opportunities for innovation and growth. From technological advancements that can transform our daily lives to enhanced possibilities for collaboration, we must embrace a mindset of adaptability and forward-thinking. By working together, we can effectively navigate the obstacles ahead and take advantage of the opportunities they create.

### **Life Sciences Innovation Centre**

Continue to grow the research project pipeline to achieve or exceed the project outcome targets.

### **Science Skills Academy**

Continue to engage with P6-S2 pupils across the area through our Newton Rooms including extending Powering the Future' Learning Lab modules, into the classroom.

Network to raise awareness of the programme and identify potential sponsors to help secure new funding partners from the private sector.

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

Upgrade to the User Interface to be launched and deployed to technology system users to enable improved secure access, along with increased user and client support.

### **Inverness Castle**

Fit-out contract work completed off-site.

Fit-out move to on-site installation.

Construction contract completed and building handed over.

## **Affordable Housing**

2024/25 Highland Strategic Housing Investment Plan Approval.

Continue to work with partners to support development opportunities throughout the Highlands.

## **Northern Innovation Hub**

Develop and proceed with the revised TechHUB programme.

Launch specialist advice programme to support tourism enterprises with advanced digital projects to complete the Digital Tourism programme.

## **Longman Land Remediation**

Awaiting approval for badger mitigations plan ahead of moving to submit statutory permissions.

Finalise the land requirements to support the development.

## **Inshes Junction Improvement -Phase 2 (The Highland Council)**

Continue to work on statutory permissions and progress with detailed design.

Proceed with land negotiations.

## **A9/A82 Longman Junction**

Conclusion of the DMRB Stage 3 Assessment.

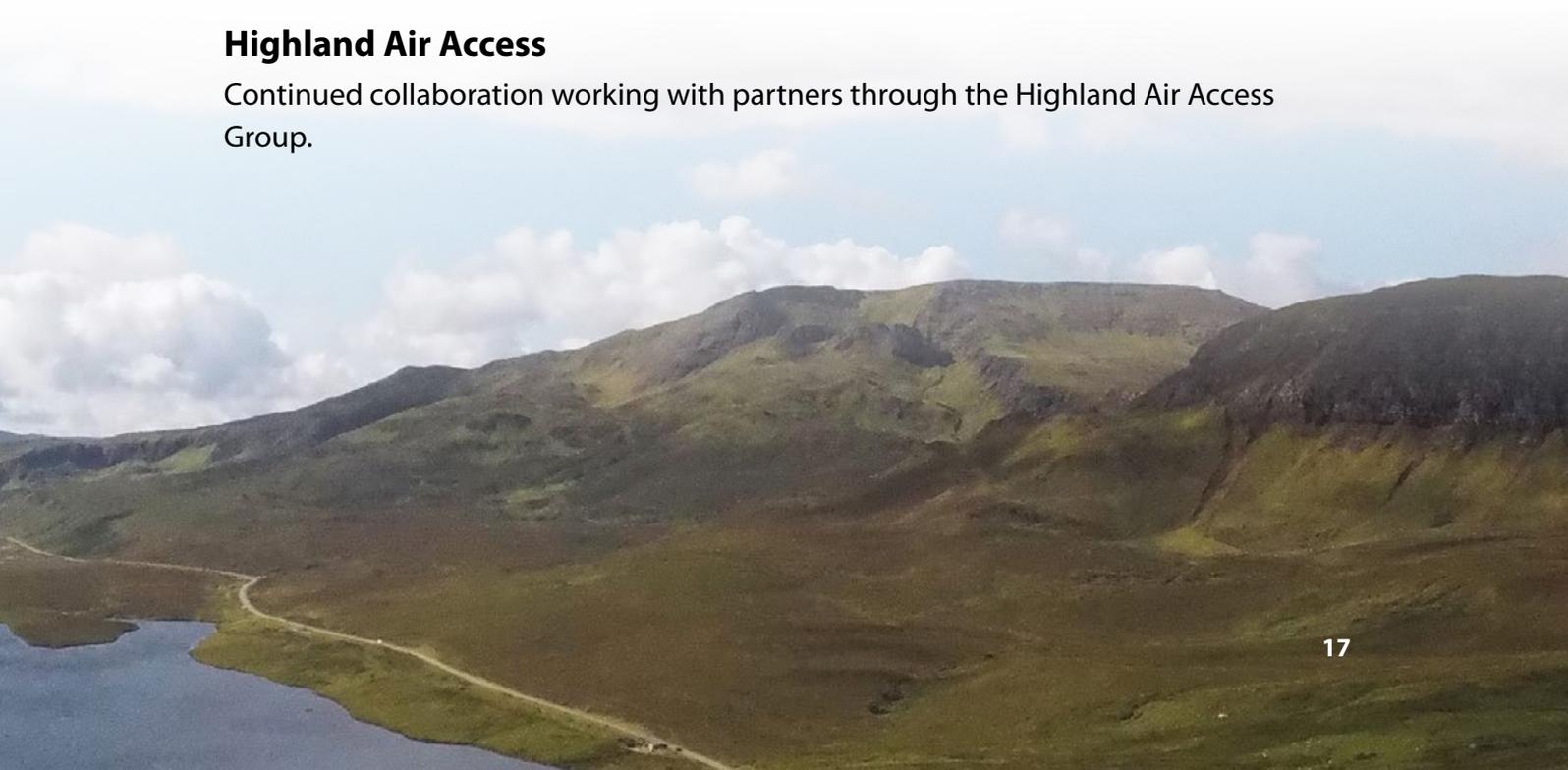
Publication of draft Orders and Environmental Impact Assessment Report.

## **A9/A96 Inshes to Smithton (Transport Scotland)**

Completion of Statutory Process.

## **Highland Air Access**

Continued collaboration working with partners through the Highland Air Access Group.



# Challenges and Opportunities Ahead

Effectively managing challenges involves navigating obstacles and changes while keeping the project within budget and ensuring successful outcomes. Each CRD project faces its unique set of challenges, and this year's focus will highlight key priorities. Opportunities may arise that lead to unexpected benefits, such as cost savings, improved stakeholder satisfaction, and enhanced collaboration. Across the Deal, projects are optimistic about making progress in these areas.

Project	Challenge	Opportunity
<b>Life Sciences Innovation Centre</b>	Continue work and develop on future sustainability of the facility beyond the Deal funding period.	A new Research Assistant in Medical Nanotechnology will increase capacity in utilisation of the Medical Nanotechnology research kit) leading to increased opportunities.
<b>Science Skills Academy</b>	Continue fundraising to secure funding for 3 years of operations beyond 2024/25.	Expand on success of past year for our family and extra-curricular engagement programme.
<b>Innovative Assisted Living (Fit Homes)</b>	To keep up with ever changing technology and ensure the resources are available for future technology development to meet the demands of a wider client network and their specific needs.	Able to deploy the technology at an affordable cost and has the ability to be the basis of multi-agency deployment for all homes in Highland initially and then further afield.
<b>Inverness Castle</b>	The current labour market has potential for shortages to both construction and Inverness Castle Experience team staff.	Begin to seek and secure private sponsorship as the internal designs are finalised.
<b>Affordable Housing</b>	The lack of economically deliverable sites within areas of demand for homes.	Work with partner housing providers able to support and deliver housing projects in areas of need.

Project	Challenge	Opportunity
<b>Northern Innovation Hub</b>	Delivering the project activities and ensuring budget is fully committed within current economic situation.	Potential future delivery of projects within the programme, ensuring sustainability and building on the success of the Deal projects.
<b>Longman Land Remediation</b>	Determining and securing the necessary land for development to finalise the estimated cost of remediation and remains economical to develop.	Collaborating to mitigate the impact on local wildlife demonstrates a commitment to biodiversity, ensures long-term ecological benefits, aligning development with environmental stewardship.
<b>Inshes Junction Improvement – Phase 2 (THC)</b>	Coordination of land access, and statutory permissions to link with construction timetable for A9/A96 Inshes to Smithton.	Following capital funding review project has secured future funding.
<b>A9/A82 Longman Junction</b>	Statutory Process timescales dependent on the level and nature of formal representation received in response to the published draft Orders and whether a Public Local Inquiry will be required to consider objections made and not withdrawn.	Supports the development proposals at the Longman Remediation Land project.
<b>A9/A96 Inshes to Smithton (Transport Scotland)</b>	The proposed scheme is interdependent with both the A96 Dualling Inverness to Nairn (including Nairn Bypass) and the Inshes Junction Improvements – Phase 2 road schemes which are being progressed by Transport Scotland and The Highland Council respectively.	Supports development to the east of Inverness as set out in The Highland Council’s Inner Moray Firth Local Development Plan and Inverness East Development Brief.

# 7

## Life Sciences Innovation Centre Ionad Ùr-Ghnàthachaidh Saidheansan Beatha

### **Lead Organisation**

University of the Highlands and Islands - UHI

The UHI Life Sciences Innovation Centre project aims to increase research and innovation opportunities in health and life sciences between academia, industry, and the healthcare sector. This is supported through a hub co-developed and co-owned with Highlands and Islands Enterprise on Inverness Campus, with a view to support the creation of new products and services, the provision of support to companies in their research and innovation endeavours, the creation of new companies and attraction of inward investment, as well as the development of healthcare service delivery improvements.



## Original Project Funding

Government	£9,000,000
<b>Total</b>	<b>£9,000,000</b>

## Project Progress Update

Further to the handing over of the Life Sciences Innovation Centre in March 2023, activities focused on equipping the laboratories with major scientific equipment and promoting collaboration opportunities with businesses.

To equip Medical Nanotechnology Suite to enable research projects UHI procured two physical vapour deposition systems, which were delivered in late 2023. The installation and commissioning works should be completed in early summer 2024. These instruments will allow research on antimicrobial nano-coatings to take place.

The mass spectrometer, for which UHI was awarded £450,000 by the Wolfson Foundation, was also delivered towards the end of 2023. There is ongoing work with the supplier to deliver specialised training to be able to develop protocols based on needs. The initial focus will be on water quality and aquaculture.

This year ensured occupation of pre-incubator and prototyping spaces with the first tenant of the Innovation Suite and Workshop taking up occupancy at the end of 2023.

The project also celebrated the completion of the first PhD studentship by Rebecca Hunter, who started her funded PhD in 2018.

Minister John Lamont, Parliamentary Under Secretary of State for Scotland, visited the Life Sciences Innovation Centre in November 2023. This was an opportunity to showcase the new mass spectrometry capacity at UHI.

A Business Development Manager joined the project team in October 2023. This has enabled the advancements in the development of the One Health research theme, which includes human, animal, and environmental health.

## Partners

- **Highlands and Islands Enterprise**  
- Co-ownership of the Life Sciences Innovation Centre.
- **NHS Highland** - End-user and contribution to the development of innovation in human health.
- **Scottish Universities in Life Sciences Alliance** - Membership organisation for Scottish universities, strategically supporting the development of One Health as a collaborative research theme.

## **Inclusive Economic Growth**

Through community engagement, support for SMEs, and enhanced healthcare delivery, the UHI Life Sciences Innovation Centre project serves as a model for inclusive economic growth, with opportunities to ensure that all segments of the community benefit from advancements in the life sciences sector.

Staff within the Life Sciences Innovation Centre engage with local communities, for example through public lectures and seminars such as the Science in the Atrium initiative, to create awareness and interest in the life sciences sector, ensuring inclusive participation in the benefits of economic growth.

The centre continues to offer opportunities for SMEs to innovate and develop new products and services within the life sciences sector, providing incubation services, including office space, business mentoring, and networking opportunities, to support the growth of local startups in life sciences.

It is also supporting improved healthcare service delivery in the region, ensuring that advancements in the life sciences sector benefit our communities: through engagement in research projects that address regional and national healthcare challenges in order to develop healthcare innovations directly applicable to improving services; and supporting community health initiatives in areas such as preventive care and active health.

## **Community Benefits and/or Net Zero**

The Highlands and Islands Hub for Enterprise and Innovation at UHI Inverness organised a Climate Change Seminar on 27<sup>th</sup> September 2023 at the Life Sciences Innovation Centre.

This event was funded by the University Innovation Fund and focused on “Local Impact and Changing Our Behaviour”.

Members of the public were invited to listen to and speak with representatives from the Highlands and Islands Climate Hub, Moray Council, Velocity (Highland Community Waste Partnership), and the Abriachan Forest Trust.

This was an opportunity to learn about various initiatives linked to climate action projects (repair cafés, community orchards, refill shops); groundbreaking research in Inverness to measure the impacts of the urban heat island effect; sustainable consumption and educational activities enhancing the adoption of a net-zero way of life.

## Additional Investment

**£193,390**

Grant from Knowledge Transfer Partnership North of Scotland to fund costs for Knowledge Transfer Associate post for two years.

## Benefits

Digital health and applied life sciences products and services:



## Case Studies

### One Health

The original intention for research and innovation activities supported by the Inverness and Highland City-Region Deal programme was to heavily focus on human health.

It is however becoming increasingly important to consider human health in a more holistic context. We cannot achieve health improvements without taking into account inherent links to animal health and environmental health. This concept of One Health has developed over the last decade under the direction of the World Health Organization. The COVID-19 pandemic has strengthened the relevance of holistic consideration of the public health, veterinary and environmental sectors. It is essential to tackle increasing issues of food security, water quality, control of diseases spread between animals and humans, biodiversity, and antimicrobial resistance.

UHI has decided to take the strategic stance to synergise its research capacity across relevant disciplines to ensure the Life Sciences Innovation Centre project delivers against current health and related challenges. At national level, this means positioning UHI's research strengths in the area of One Health and building

appropriate partnerships with other universities and research institutes to leverage opportunities and implement collaborative projects.

The first strategic steps took place at the Life Sciences Innovation Centre in early 2024. On 18<sup>th</sup> January 2024, the LSIC project team organised a UHI-wide workshop to articulate niches and synergies in environmental, marine and health sciences. UHI Shetland, the Environmental Research Institute (UHI North, West and Hebrides), the Scottish Association for Marine Science, the Institute for Biodiversity and Freshwater Conservation (UHI Inverness), and the Life Sciences Innovation Centre teams explored how to strategically and operationally implement a UHI One Health Network through the achievement of critical mass of human and capital resource across the UHI partnership.

The LCIS project team hosted a Scotland-wide One Health Workshop led by the Scottish Universities Life Sciences Alliance (SULSA) in February 2024. Senior researchers from SULSA-affiliated universities were invited to determine the breadth and depth of expertise across One Health disciplines. Based on this assessment, consortia were identified with leads to strategically engage with Research Councils, and ultimately be in a position to develop research funding bids. 2024 will see the advancement of the One Health theme internally, whilst raising the profile of UHI as a national key player in this area.

### **Knowledge Transfer Partnership project with iDE8**

Gillian Maxwell joined UHI as the Knowledge Transfer Partnership (KTP) Associate in November 2023. Knowledge Transfer Partnerships are a three-way collaboration between a research institution (knowledge base), a business or not-for-profit organisation, and a graduate or postgraduate (associate) in order connect businesses that have an innovation idea with the academic expertise to help deliver it.

Supervised by Professor Ian Megson, Gillian is collaborating with iDE8, a Life Sciences Innovation Centre tenant, to develop new, safe and accurate biosensors for the detection and quantification of multiple diabetes biomarkers.

Reflecting on her time at UHI so far, Gillian says:

“As the new KTP Associate, I have settled in well to both the UHI team and iDE8 team – both groups have been very welcoming and excited about the project. Laboratory work is well underway – I have already managed to make new discoveries and as a team we have come up with new ideas to develop. It’s lovely to feel so supported and to be able to chat to such a good network of people!”



This particular project was made possible thanks to a previous Interface innovation voucher with Druid Ltd, a sister company of iDE8. The forerunner project developed a new detection system for babies at risk of developing Type 1 diabetes. The end product was a smart, safe, easy to use nappy that gives parents an unambiguous signal that glucose and/or ketones is/are present in the urine of their child, therefore enabling an informed decision to seek medical intervention at the earliest possible opportunity.

The KTP project benefitted from a £193,390 award from KTP North of Scotland.

### **Doing a part-time PhD as a physiotherapist: Dr Rebecca Hunter's experience**

In 2018, Rebecca Hunter was given the opportunity to undertake a part-time PhD funded by the Inverness and Highland City-Region Deal. Her thesis, "A realist study of self-management apps to help people living with chronic low back pain", was defended in November 2023. Her viva concluded with no corrections, which is an exceptional academic achievement.



Rebecca shared her reflections with us on her PhD journey:

"Prior to undertaking my PhD, I worked as a musculoskeletal physiotherapist within NHS Highland, where much of my case load involved treating individuals with chronic low back pain (CLBP). Witnessing the logistical challenges faced by patients residing in this vast and geographically dispersed region – challenges related to accessing transportation and the potential for long journeys to exacerbate their condition – I became intrigued by the potential of mobile health (mHealth) technologies to offer a more accessible and beneficial alternative care approach.

This experience underpinned my doctoral research, which specifically explored the question: who would benefit from mHealth interventions for CLBP self-management, why such interventions would be effective, and under what circumstances they would be most appropriate.

My research revealed a surprising openness towards the use of mobile health technology to support people self-managing CLBP. As a physiotherapist, I assumed face-to-face appointments would be preferable. However, for some who were experiencing severe pain, having self-management support readily available on their mobile phone proved more convenient. Notably, two factors significantly influenced app adoption: patients' need to feel their condition validated and their pain believed by healthcare professionals, and the reassurance that the app served as an adjunct, not a replacement, for ongoing care.

I hope that the results of the research will provide policymakers and healthcare providers with data that can guide the integration of mHealth technologies into CLBP treatment plans. My research reveals factors influencing successful app use for self-managing CLBP, essentially exploring the “why” and “when” of patient engagement.

Ultimately, this research aspires to improve CLBP care delivery within the NHS, upholding the core principle of “right care, right person, right time.” Furthermore, my findings could lead to an expansion of treatment options for CLBP patients. While face-to-face consultations remain vital, my research highlights the potential of mHealth as a valuable alternative when in-person visits aren’t possible or desirable. This broadened treatment spectrum empowers patients to access care in a format that best suits their individual needs and preferences.”

# Science Skills Academy

## Acadamaidh Sgilean Saidheans

### Lead Organisation

Highlands and Islands Enterprise (HIE)

The Science Skills Academy delivers hands-on practical STEM (science, technology, engineering, mathematics) activities to P6-S2 students in the Highlands. We run sessions in bespoke Newton Rooms, which are tailored to complement STEM industries in the local community.

Our aim is for the sessions to excite and inspire students, and encourage them to study STEM subjects at school and beyond. We also introduce students to the wide variety of STEM career pathways, both in general and in the Highland area.



## Original Project Funding

Government	£3,000,000
Council	£25,000
Universities	£10,000
Private Sector	£7,500
Other	£30,000
<b>Total</b>	<b>£3,072,500</b>

## Project Progress Update

At the core of the Science Skills Academy (SSA) project is the delivery of full day, hands-on, exciting STEM activities for every 10-14 year-old across our full school complement in The Highland Council area each year. Rooms are completely free to visit, and SSA support schools with transport costs where needed. This year's roll-out of our new booking system allows greater access for teachers to view and book available slots in their local Newton Room.

SSA delivered 8,252 engagements in 2023/24, provided through our permanent and touring, pop-up Newton Rooms. This included region wide delivery of 7 Newton Modules and completing the roll out of the new 'Energy' module. Continuing with the 'Powering the Future' Learning Lab to engage P6- S2 pupils and expanding 'Up in the Air With Numbers' to all S3 Caithness pupils studying Maths or Physics.

During 2023/24 SSA CRD funded completed and while strong progress was made to attract other funding to sustain the SSA on a short/medium term, work will continue for the longer term and allowing long term SSA Operator to be secured. Significant investment has been confirmed from the public and private sector for the next financial year, with more leads close to being secured. This year SSA has also forged a number of new partnerships and have secured industry investment to support energy related programming, as well as funds to support both Space programmes and Maths Week activities.

Maths Week Scotland funding enabled 604 engagement hours to 281 learners through Newton Rooms workshops during September's Maths Week. A working partnership with Glasgow Science Centre developed and rolled out a new energy module for primary pupils.

Working to expand our reach to those who influence young people SSA's community engagement programme continues to grow, working in partnership with UHI, Active Schools, Rangers and High Life Highland. Focusing on family engagement SSA delivered workshops supporting Caithness Science Festival, Word of the Street Book Festival (Dingwall) and the Belladrum Tartan Heart festival.

## Partners

- **UHI** - Provide space for Inverness NR; provide an aligned STEM programme in The Highland Council area.
- **Glasgow Science Centre** - Secondment agreement in place SSA manager.

## Inclusive Economic Growth

Working through our partnership with Glasgow Science Centre, we are enabling free access to Learning Lab resources relating to the Energy Transition. To date 2,823 pupils have engaged with these resources which extends learning from the Newton Room back into the classroom.

This has been funded by OPITO. OPITO is the global, not-for-profit, skills body for the energy industry, with a mission to develop a safe, skilled energy workforce.

## Community Benefits and/or Net Zero

From January to March, we joined forces with SSEN Transmission to power up STEM skills for hundreds of school pupils with a four-month pop-up Newton Room programme. This partnership allowed us to bring careers in STEM to life across Portree, Plockton and Nairn.

The pop-up sessions started in Portree in January before moving to Plockton, and then onto Nairn for a week. Supporting in-person pop-up classes, an additional online session was hosted in collaboration with the Glasgow Science Centre, reaching more rural areas beyond the Highlands.

This partnership brought hands-on STEM activities to 842 learners across the Highlands, resulting in over 2,500 hours of engagement.

SSEN support enabled SSA to engage 23 schools with our Energy Newton Modules. More than 2,000 pupils signed up to hear more about careers in SSEN Transmission through an online careers Q and A.

'Our pupils were visibly engaged and interested throughout, with a good balance of listening, talking and practical activities to try out. They chatted enthusiastically about it afterwards and had clearly progressed in their understanding of electricity. It was also useful to have someone talking about their "world of work." – **Teacher**

'I had lots of overall fun and am excited to do more STEM work in high school next year!' – **Pupil**



85% of pupils surveyed agreed or strongly agreed that their visit to our pop-up Newton Room has made them more aware about careers in STEM.

SSEN Transmission's head of stakeholder engagement, Chris Bell, said:

"As we deliver our £20bn investment programme in the north of Scotland over the next decade, it's important that we leave a positive lasting legacy for communities in the areas we'll be operating in. Partnering with the Science Skills Academy, who have an excellent track record in reaching school pupils across the Highlands, will help create the next generation of scientists and engineers and is one way we can work towards delivering that legacy."

### **Additional Investment**

#### **SSEN-Transmissions**

**£35,150**

Funded our pop-up Newton Room from January-March 2024.

#### **Maths Week Scotland**

**£3,640**

Funded our involvement with Maths Week Activities Sep 2023.

#### **OPITO**

**£6,000**

Fund school engagement with Learning Lab delivery.

#### **The Highland Council**

**£220,000**

Core operations.

#### **Highlands & Islands Enterprise**

**£220,000**

Core operations.



## Benefits

Newton Room Modules - Data since 2019.

Healthcare Science Module

**2696** pupils

Energy Module

**1650** pupils

Sustainable Biofuels Module

**593** pupils

Peatlands Mini Newton Module

**1472** pupils

Salmon and Aquaculture Module

**1786** pupils

Renewable Energy Module

**3484** pupils

Robotics and Mathematics Module

**8060** pupils

Destination Space

**1105**  
pupils

Space Module

**2488**  
pupils

Up in the Air with Numbers Pilot

**106** pupils

Outdoor Maths

**1069** pupils

Step into STEM

**286**  
pupils

## Newton Room Experiences

Increase awareness of STEM careers and STEM pathways. Data since 2019.

Meetings and promotional events

**354** pupils

Learning Lab: Classroom Resources

**2823** pupils **Target: 3000**

Newton Module Taster sessions

**404** pupils

Other

**2720** pupils

Partner

Delivery

**473** pupils

STEM Ambassador Activity

**66** pupils

Teacher CLPL

**682** pupils

Family Events

**380** pupils

Learning Lab: Powering the Future

**1121** pupils

## Equality of STEM provision across the Highland region

### Geographical Reach

**98%** of schools across Highland have attended a Newton Room session since 2017

**Target: 100%** **Target Date: 31 March 25**

**Target: 23,000** pupils

**Target Date: 31 March 2025**

**Total: 23,253** pupils



## Case Studies

### Our World from Space Programme

Additional funding from UK Space Agency in partnership with Natural Environment Research Council (NERC), part of UK Research and Innovation, allowed us to expand our range of drop-in community events to offer 3 new drop-in activities through Our World from Space programme.

The 'Our World from Space' programme enabled SSA to extend our engagement from schools into the local community, connecting families with the role of satellites in space observation and highlight the career opportunities available to communities in the Highlands and Islands in the space sector. This programme runs until December 2025. Ahead of the programme start SSA staff attended a training programme at the National Space Centre.

We have worked with the Home to Highland team at The Highland Council to engage care experienced young people, and New Scots with the programme through our Satellite Maker Space. We have also hosted 10 sessions in primary schools in the Inner Moray Firth area. It enabled us to develop two new drop-in activities to engage communities with satellite data and climate science which we have trialled at Caithness Science Festival in March 2024.

'I definitely gained new knowledge to use in the classroom and will introduce some more satellite work in our science/ STEM week next week.' – **Teacher**

Our World from Space is a two-year national STEM programme exploring the relevance of UK space science for the future health and sustainability of our home planet.

This programme aims to:

- Connect communities to space technology and its relevance to their day-to-day lives.
- Raise awareness of the jobs connected to this sector that are available locally.
- Engage with the parents /carers of SSA attendees to support to foster a connection between their children and STEM.

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

## Lead Organisation

Albyn Housing Society Ltd

The Assisted Living Fit Homes project aimed to develop 32 Fit Homes, individual homes designed for people to stay in from cradle to grave, or as long as it was safe for them to do so.

At the end of the project, we expect to deliver:

- 32 new homes designed to enable people to live in them until end of life;
- Technology to support people and services to enable the person to remain at home;
- A new homes allocations system;
- A commercial product and a company to support the commerciality.



## Original Project Funding

Government	£3,000,000
Other	£2,224,000
<b>Total</b>	<b>£5,224,000</b>

## Project Progress Update

Albyn Housing Society had built 10 Fit Homes in Nairn. All units were completed in November 2023, all allocated, with tenants in residence soon afterwards.

In Lairg, a development of four Fit Homes, on land donated by the local community group Lairg Community Development Initiatives (LCDI), were completed and allocated to tenants in early 2024. The completion of these homes brings the total to 49 cutting-edge technology Fit Homes across the Highlands in Nairn, Dingwall, Inverness, in addition to the original 16 units at Dalmore.

Working with one of our partners we installed the technology in an additional 9 retrofit properties. In these stalls the technology focused on supporting vulnerable people leaving institutional care, and homeless people leaving prison and young people leaving care, and people with addiction with the aim to assisting them in to mainstream housing. Funding was also secured for another 5 retrofit properties for people leaving institutional care.

The second stage interface upgrade was completed in Spring 2024, this was to allow better understanding of the data collected, particularly from a client's viewing and support perspective.

With our Knowledge Transfer Partnership moving into the second year it has been proving very successful. Our research partnerships with universities across Scotland continue to grow with further research and opportunities being developed.

To support our aim of establishing a sustainable social business, we identified board members to focus on the commercialisation of our technology. Throughout the year, we held several meetings to initiate business planning and strategy development.

Securing additional funding to upgrade to an enhanced interface has been challenging and difficult to access despite a clear need and going forward work will continue to look at options to source and secure funding.

A new care model including our technology is being developed for the former care home building in Ullapool. This building purchased by the Society was aided by public sector grant funding. The acquisition is part of a community-led initiative to retain some form of care provision within the area. The planning application has been submitted and following this, the Society has had increased requests for the technology from the general public and front facing public sector staff in the wider local community.



## Partners

### **Albyn Housing Society Ltd**

Main partner and grant applicant, responsible for leading development efforts, including sourcing and securing loan funding for construction purposes. Directing technology innovation and the establishment of a new company.

### **NHS Highland**

Initial input to develop and design both the house plan and the technology. On-going input to further develop the interface, identify geographical areas that need prioritised for the service, and part of the allocations panel for new builds and vacancies. NHS Highland is integral to the project and various different departments are involved.

### **The Highland Council**

- **Homelessness** – working with homeless function both for people leaving institutional care and for very vulnerable individuals. Successfully completed joint bid with The Highland Council homelessness staff to access funding for a further 4 retrofit properties for drug and alcohol support.
- **Social Work Criminal Justice** – working with Criminal Justice Social Work to support people leaving Scottish Prison Service estate through retrofit
- **Social Work Young People** – working with Social Work staff to support young people leaving care through retrofit.
- **Housing** – working with housing to develop effective retrofit system for vulnerable clients through Housing First and Highland Drug and Alcohol Partnership.

### **Robert Gordon University**

Supported us with PhD student and is now academic partner with Knowledge Transfer Partnership.

### **Napier University**

PhD awarded for criminal justice and computer science.

### **Lairg Development Trust**

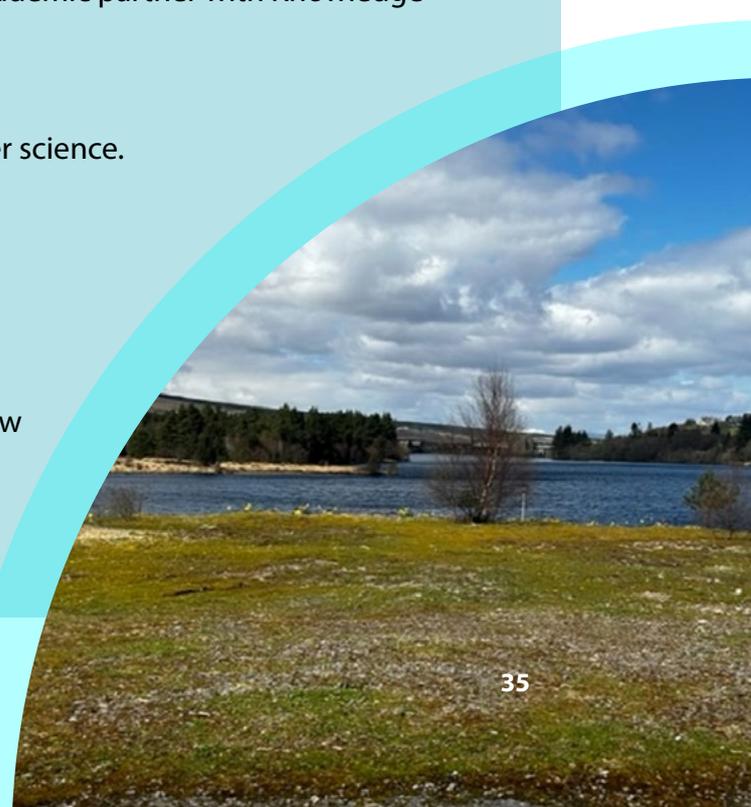
Community partner in the Lairg development. Contributed with the land cost.

### **Glasgow University**

Research into tenants day to day living and how that affects air quality within the home.

### **Scottish Prison Service**

Supporting vulnerable clients.



## **Inclusive Economic Growth**

### **Poverty Reduction**

The development of the Assisted Living Fit Homes project has proved to be successful for a wider range of clients than originally anticipated.

The ability of the technology to be used as an extra support arm for both statutory, voluntary and family and friends has resulted in the technology currently being deployed in ever wider circumstances. We are focusing primarily on supporting our partners in the public sector to assist them in meeting their targets and are now having multi agency meetings to agree formal referrals and assess who has the greatest need. Seeing the technology work has proved very effective in getting support for the project with the staff involved seeing the system supporting their day-to-day activities without being an extra burden.

From a health and care perspective, this has allowed support to be delivered by friends and family as well as statutory bodies, regardless of geography, enabling a more cost effective and robust system to be developed around these clients. This enables them to remain in their own homes longer as this extra support can be delivered at an affordable rate with the potential that everyone can access it in the long run.

This has also been significant work in supporting vulnerable people leaving institutional care to sustain tenancies, develop day to day routines and begin to integrate effectively into mainstream society, again within an affordable system. The system also enables professionals to have more routine information on each client which which we are developing into a system where the possibility of intervening with extra support at an early point should be possible.

### **Industrial Development**

The technology has now been developed to version 2 which we are looking to deploy before the end of 2024. The innovation within the project has been recognised with research papers and our lead technologist speaking at global conferences. We have active research with 3 universities with further research in the process of being funded. Our Knowledge Transfer Partnership with UKRI is being seen as exceptional and we are currently working with layers to develop the next stage of commerciality.



## **Reduction in Regional Disparities**

The project has proven to be effective in mitigating geographical disparities both in terms of the wider Highland area and in terms of the urban landscape. The project enables an enhanced ability to support individuals in their homes. This allows more people to be involved in the support without adding undue burdens on to the carers be they professional or family/friends.

This frees up the time of the care available to be targeted at those most in need. This type of technology can play a significant role in reducing disparities in equality across Highland.

## **Community Benefits and/or Net Zero**

The ability to support people in their homes without having to drive there has a significant effect on Net Zero targets. The reduction in travel through remote support available via the technology installed enables family/friends to support individuals in their home, where previously this was unavailable.

Support workers are already reporting that they have stopped making unnecessary scheduled visits because they know the person is not in, or is still in bed. They are then able to reschedule to a more suitable time. This enables an added bonus of enhancing person centred care. Our latest hub upgrade will allow us to upgrade our current sensors and add additional sensors to the same system. This will reduce the need for maintenance visits.

## **Additional Investment**

### **Scottish Government Housing Grant**

**£942,000**

### **The Highland Council Infrastructure Fund Housing Development**

**£200,000**

### **Albyn Housing Society Ltd**

**£33,300**

Part of Knowledge Transfer Partnership – 3 year funding.

### **Albyn Housing Society Ltd private finance**

**£515,000**

### **Innovate UK Knowledge Transfer Partnership**

**£63,000**

Developing the technology to the next level - 3 year funding.

## Benefits

32 new build  
'Fit Homes'  
**100%**

Data models that derive  
activities of daily living and  
predict falls risk  
**100%**

Sensor-based monitoring  
system for new builds  
**100%**

New method of  
housing allocation  
for Fit Homes  
**100%**

Sensor-based  
monitoring system  
for retrofit  
**100%**

New social enterprise  
to commercialise  
relevant outputs  
**60%**

## Case Studies

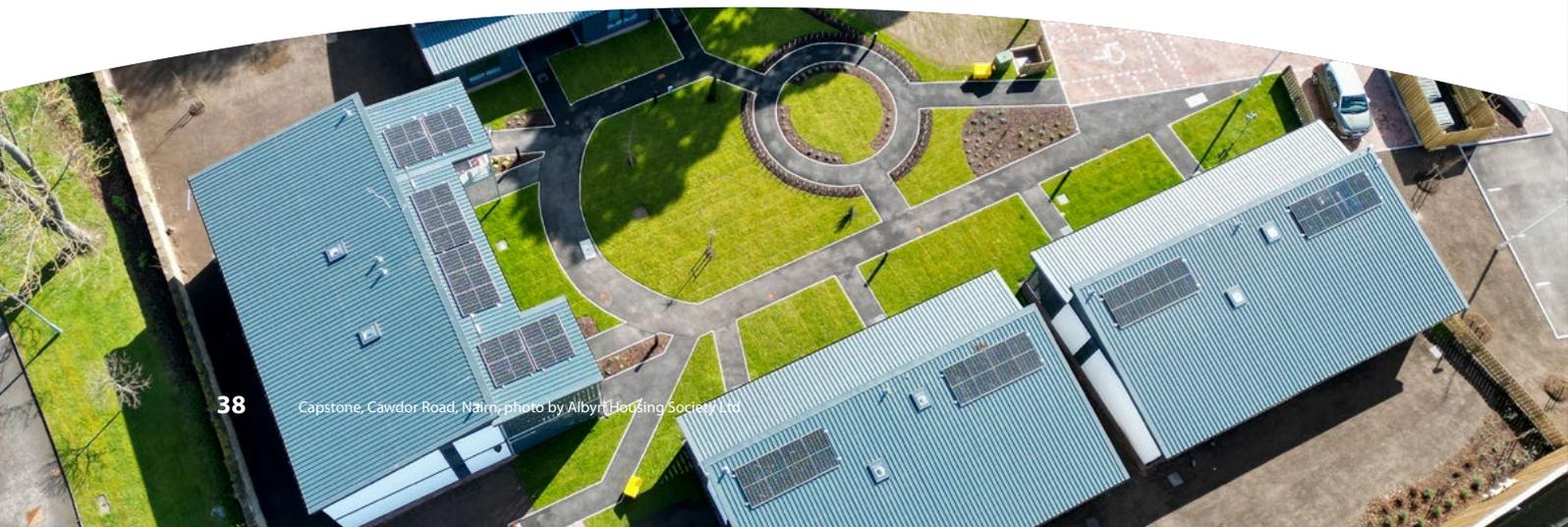
### Client experience and feedback - Client A

"Just on the tech system that mum uses."

The elderly tenant with multiple health problems including slight deafness lives on her own in a Fit Home. There are sensors fitted on the doors so that if opened the technology records and shows this.

Her daughter, who works but visits most days, said 'We find it really helpful the way the technology is set up. Mum is a wanderer at night and using the system we can see the many times she is up and about through the night. What is also really important is that it always shows us the 2 doors to her property and that she does not attempt to go outside at night. We are concerned about her safety as she is near a road in the middle of a housing scheme. She knows we live in the same housing scheme so she sometimes tries to visit.

Mum has Dementia and Alzheimer's it is so important that we have the safety system of door sensors. Mum also came to mine one time in the early evening but had a fall along the way; we were able to see what time she left her house to get to mine and were able to work out how long she had been on the ground. She was hospitalised for a short time but returned home.



## **Client experience and feedback - Client B**

An elderly lady who has multiple health problems and lives on her own with family staying nearby.

Reviewing data available through the installed technology, her family are able keep an eye on what she is eating and drinking as her care only comes in the morning and in the evening. They were trying to assess if she needed extra care at lunch time.

When they are at work the family can monitor the door sensor on the fridge at lunch time to see if she has opened it for something to eat or drink.

The daughter stated:

“I also found that the technology in the fridge has helped identified that mum has not been opening it for food or a drink. This means we need to arrange for additional care at lunch time to ensure she is not dehydrated or hungry. This is now being arranged and should help keep her in her own home longer.”



# 10

## Digital Didseatach

### Lead Organisation

Highlands and Islands Enterprise

The purpose of the digital project is to build on existing initiatives to improve broadband: Scottish Government's R100 programme and UK Government's Project Gigabit; to extend to areas not included in existing rollout plans. A number of project options have been considered to utilise funds to deliver new, additional coverage.

### Original Project Funding

<u>Government</u>	£20,000,000
Total	£20,000,000

### Project Progress Update

In August Highlands and Islands Enterprise took the difficult decision not to continue as contracting authority for the IHCRD Digital project.

All the premises in proposed area would now be incorporated into Scottish Government's national gigabit plans.

### Look Forward

Following Deal governance and with Governments' overview of the process, the Deal looked into the repurposing of Digital funding.

Existing Deal partners were invited to submit proposals for the funding. Following presentations from all, the successful project was presented to Programme Board for approval ahead of submission to both UK & Scottish Governments for their sign-off.

Next stage was the Change Request submitted and approved in-year which will see the £20m monies moved to support the Corran Ferry Infrastructure Project, this is matched with £10m funding from The Highland Council which was approved at Committee on 14<sup>th</sup> March 2024.

# Inverness Castle

## Caisteal Inbhir Nis

### Lead Organisation

High Life Highland

Inverness Castle is an iconic Category A listed building of national and international significance, situated in the centre of Inverness. Historically it was used by the Scottish Courts and Tribunals Service (SCTS) and The Highland Council for court and office purposes. The SCTS moved from the Castle in 2020, providing a real opportunity to create a significant tourism asset at the Castle that will act as a focal point for the promotion of tourism across, and draw visitors to, the Highlands.

The project will create a must-see visitor attraction in Inverness, opening in 2025, celebrating the Highlands past, present and future. The creativity, well-being, culture, heritage, natural environment and language of this unique part of Scotland will all form part of the story told. The attraction will bring new and returning visitors to the area and inspire people to visit all parts of the Highlands.



## Original Project Funding

Government	£18,100,000
Council	£15,500,000
Other	£60,000
<b>Total</b>	<b>£33,660,000</b>

## Project Progress Update

Inverness Castle is a listed building, situated on the Castle Hill above the banks of the River Ness. The construction project which started in April 2022, has progressed successfully throughout year and is due to conclude during 2024/25.

The design work for developing the Inverness Castle Experience progressed rapidly throughout the year, and we have now completed a detailed interpretation for the gardens and South Tower.

Significant progress has been made in finalising the designs for the interpretation within the North Tower, the West Tower and food and beverage and retailing experiences.

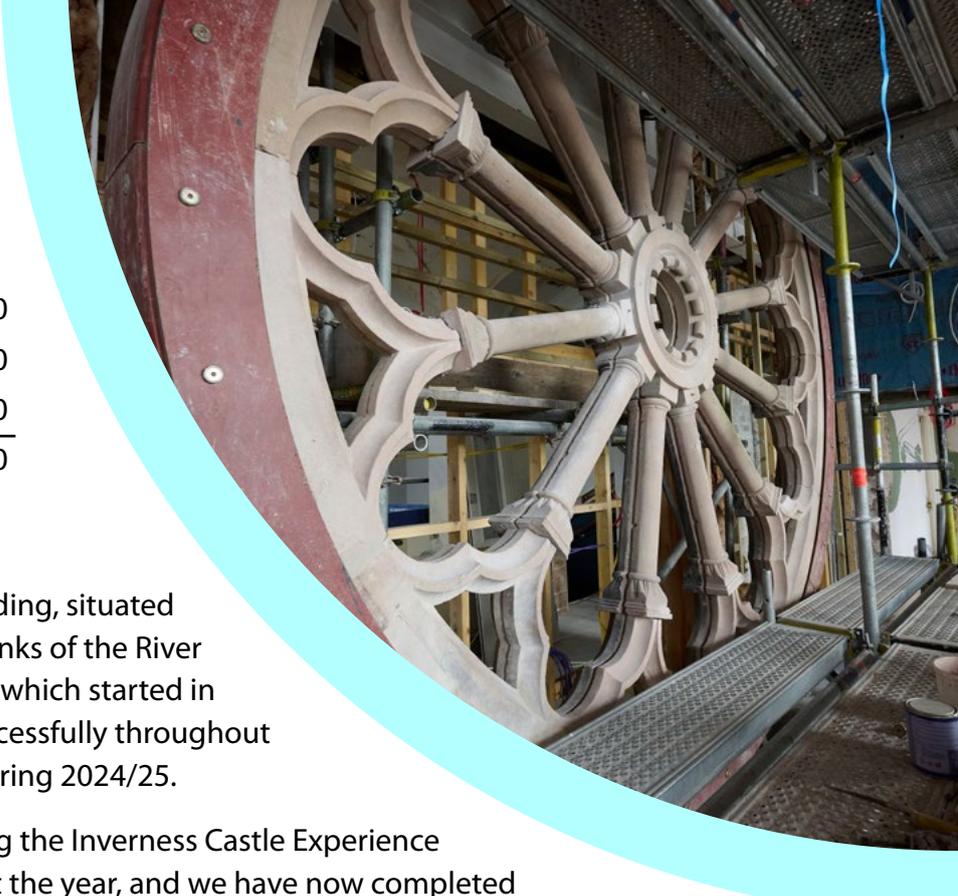
Following a tendering process, the fit-out contractor has been appointed and work is underway to create and build the interpretation sets off-site using the stories collected from across the region. The fit-out contract will overlap with the construction contract, beginning in autumn 2024.

The refurbishment of the Rose Window has started, with the removal of the stain glass which has been transported to the studio in Edinburgh. The window stonework has been taken apart, with restoration work being undertaken by specialist stonemasons.

The Spirit of the Highlands and Islands project is now complete. The content created and collected during the project will be incorporated into the physical interpretation within the castle and within the digital assets supporting the promotion of the Inverness Castle Experience.

In addition, the 57 panels of the Tapestry of the Highlands and Islands panels are finished and will form the first exhibition in the new gallery in the North Tower when the castle opens.

Work to curate the Runrig Exhibition in the Ceilidh Rooms in the North Tower commenced, with the designs progressing to the detailed stage with input and memorabilia provided by founding band members, Rory and Calum MacDonald.



An Operations Management Partner has been appointed and will work with the Project Team to provide specialist experience in opening and operating visitor attractions. One of the key areas of their work will be to support the recruitment and training of the new Inverness Castle Experience team. Two of the key areas of support provided have been developing the recruitment schedule and the training programme for the new Inverness Castle Experience team and in implementing the Marketing Plan for opening.

## **Partners**

**The Highland Council** – Project Owners and Funders

**Scottish Government** – Project Funder

**UK Government** – Project Funder

**Highlands and Islands Enterprise** – Project Funder

## **Community Benefits and/or Net Zero**

The main contractor, Bancon Construction, are a Scottish company based in the northeast. They operate as a management contractor engaging subcontractors from the local workforce. During the contract it has been confirmed that over two thirds of the subcontractors involved in the transformation works at Inverness Castle are based locally within the Highlands with the remaining, who require specialist skills, within reach of the area.

A second schools and students engagement project was undertaken by the project team during 2023/24. 'Highland Hospitality: Tales from around the Table', was designed to engage high school and university students involved in hospitality, catering, and tourism throughout the Highlands. Students were asked to think about a special recipe, describe how they would prepare it, what makes it special, and why it should be nominated to be part of the official menu in the restaurant at the Inverness Castle Experience. The submissions were reviewed by a panel of local food enthusiasts.

## Additional Investment

### The Highland Council (UK Shared Prosperity Fund)

**£100,000**

Specialist training programme to support school leavers, unemployed and economically inactive into employment within the Castle.

### Highlands & Islands Enterprise

**£17,500**

Highland Visitor Attraction Training Programme Research.

### The Highland Council (UK Shared Prosperity Fund)

**£17,500**

Highland Visitor Attraction Training Programme Research.

### Highlands & Islands Enterprise

**£30,000**

Framing of Tapestry panels to ensure their preservation and security.

### Inverness Common Good Fund

**£9,500**

Restoration of the Rose Window.

### Inverness Rotary Club

**£3,000**

Restoration of the Rose Window.

### Active Travel

**£19,000**

Provision of cycle racks on the castle esplanade.

## Benefits

**Castle opens as an international visitor attraction**

Target Date: 2025

**New accessible gardens open for visitors**

Target Date: 2025

**New universally accessible roof terrace opens for visitors**

Target Date: 2025

**Jobs supported during construction**

Target: 166 Target Date: 2022 to 2024

**55 each month**

**No. of FTE staff employed post construction**

Target: 82 Target Date: 2025

## Case Studies

The exhibition content of the new visitor attraction has been crowd sourced from individuals and communities across the region, including rural and island communities. The designs will reflect the stories submitted by many individuals who have summed up what the Spirit of the Highlands means to them and to their community. Artists across the Highlands have also developed new commissions along the same theme and four artists who submitted their initial proposals as part of the Spirit 360 project were selected to develop their work further to enable the designers to feature their work within the interpretation of the castle when it opens.

Spirit:360 is supported by Highland Place Partnership, by the National Lottery through Creative Scotland's Place Partnership Programme, and is administered by High Life Highland, as part of the Spirit of the Highlands project.

### Joanne Watson

On 27<sup>th</sup> May 2021, Joanne found a piece of tartan in a box at the West Highland Museum which is labelled as being from Flora Macdonald's wedding dress. She used this sample to re-create what she may have worn on her wedding day. The extensive research was recognised by the content team and Joanne was given the opportunity to develop her project further. Joanne has since recreated the outfit worn by Prince Charles Edward Stuart for the four or five days in June/July 1746 when he wore women's clothes to assume the identity of Betty Burke, an Irish spinning maid, as a means of escape.

### Simon Riddell

Simon is a lifeboat crew member with the East Sutherland Rescue Association (ESRA) based in Dornoch. In the context of his commission, the 'Spirit of the Highlands' is our willingness to put ourselves in harm's way to protect others and effect a rescue should we be tasked with one. It is a coming together of people, putting aside personal gain to work as a singular unit, realising the risk that may be involved to help people in their time of need.



He captured the spirit of the crew and their endeavours by taking wet plate collodion tin type portraits using the traditional method first invented in 1851 by Frederick Scott Archer (who did not patent his invention, or benefit monetarily from it, instead, he gave it freely to the people). This ethos translates well to ESRA as each individual crew member gives their all for the safety of others, both in the community and those who visit our beautiful waters. He has now developed landscape wet plates that will be displayed within the Inverness Castle Experience.



### **Ian Westacott**

For many years trees have always been a central focus for Ian's imagery. The majestic Wych Elm used to stand in the centre of Beaulieu town, guarding the entrance to the ancient Priory ruins. Dated to be over 800 years old, it was struck down by Dutch Elm Disease. Hanging onto life, only three percent of the tree was alive when this project was completed. It has since fallen and been removed.

"To me this tree resonates with our own humanity, symbolic with our own time of living/passing and the way we treat our natural world."

Ian was then commissioned to create copper plate prints of other special trees within the Highlands which will be displayed within the castle to encourage visitors to explore the Highlands via the trees.

### **James Ross**

James composed a beautiful piece of music based on the story of the 'Piper of Windyha'. The project then commissioned James to compose a piece of music that can accompany the Tapestry of the Highlands and Islands. This commission will feature Julie Fowlis and Thirteen North and will be a special addition to the Tapestry exhibition in the castle.



# Affordable Housing Taigheadas Neo-chosgail

## Lead Organisation

The Highland Council

The project purpose is to offer affordable housing in the Highlands to enable young people 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.



## Original Project Funding

Government	£5,000,000
Council	£30,000,000
<b>Total</b>	<b>£35,000,000</b>

## Project Progress Update

In 2023/24, we successfully completed a total of 48 homes across projects in Dornoch, Dulnain Bridge, Kirkhill, Nairn, and Rosemarkie. With an additional 78 developments currently underway, we are set to deliver 168 homes across several projects, including Blar Mhor PH2 in Fort William, Tornagrain, Alness, Inverness, and Conon Bridge. Young people have been the first tenants in approximately 71% of these new homes, marking a significant step towards providing affordable and accessible housing in the area and investing in the future of our communities.

Delivery of mid-market rent homes remained robust with the project on target. Taking advantage of opportunities that fell within our overall funding envelope at the same time being mindful of the forward commitment this generated. The reduction in Scottish Government funding has made retaining momentum in the project challenging but with creative use of front funding both by the council and partners we had managed to kept delivery on track.

A local developer approached The Highland Council with 75 units available, originally being built for the private market. After discussions Highland Housing Alliance purchased these for use as MMR properties. This opportunity arose out of a plateauing housing market feeling the effects of higher interest rates on sales. This levered in valuable windfall properties to the sector but also supported the cash flow of the developer maintaining continuity for their workforce.

The Highland Strategic Housing Investment Plan (SHIP) was approved at the Housing and Property Committee in January 2024.

## Partners

The Highland Council as managers of the project and funders from grant and loan assistance to assist in delivery of projects. More Homes Scotland Division of the Scottish Government who provide grant to support affordable housing including projects which deliver mid-market housing. Highland Housing Alliance, Albyn Housing Society limited, LINK Group, Castle Rock Edinvar Housing all of whom develop and manage housing for mid-market rent (MMR).

## **Inclusive Economic Growth**

The project aims to bridge the gap in affordability of good quality housing for those people, many of them young, who are needed to develop the earning potential and careers so that they can further contribute to the Highland economy.

Specific targeting of mid-market rent units has been used to support key workers in the public sector, in particular providing accommodation for blue-light staff at Blar Mhor in Fort William. The definition of key workers varies between communities, therefore the approach is to recognise a specific area need and target accordingly.

## **Community Benefits and/or Net Zero**

The project supports the Highland construction industry through procurement of building services. Contracts awarded are required to demonstrate benefits to communities where there is construction activity. These benefits are agreed between the contractor and contracting housing partner, on a project-by-project basis. Benefits may include working with local schools to provide insight into the broad range of career opportunities within construction and the increase in training opportunities arising from a particular commission.

All the properties built as part of this initiative exceed the building warrant standards to deliver within the zero-carbon agenda. In Lochaber the Blar Mhor project linked in to the E-Bike Hub infrastructure, providing a charging zone for up to 6 bikes within Fort William E-Bike initiative.

## **Additional Investment**

### **More homes Division of Scottish Government**

**£85,000**

Grant of approximately £85,000 per unit.

### **Private finance raised by the various housing association landlords**

**£104,000**

Funded through rental income, essentially a mortgage, of approximately £104,000 per unit.

### **The Highland Council Grants**

**£91,000**

Grants utilising the Council's Greener Infrastructure Loan Fund, to support high-cost developments.

## Benefits

2023/24

**78** units  
started on-site

**168** units under  
construction (on-site)

**71%**  
CRD-funded  
properties  
rented to  
young tenants

**129** units  
funded

**48** units  
completed

## No. of CRD-funded units completed

2018/19  
**21**

2019/20  
**48**

2020/21  
**22**

2021/22  
**57**

2022/23  
**121**

2023/24  
**48**

=

**Total**  
**317**

## Case Studies

### NHS plus targeted MMR Units

Within the development site at Blar Mor, Fort William 6 of our new build homes were leased to HHA who then advertised them under the Blue Light Workers Plus scheme.

This scheme aims to aid in the attraction and retention of employees of the NHS, Fire & Rescue Service, Police Scotland, HM Coastguard, social care workers and teachers. Those who work in relevant employment were required to be economically active, have savings to cover the first month's rent and a deposit, apply for the appropriately sized home and also have points on the Highland Housing Register scheme. If all criteria were met, then priority would be given to these employees where the demand still outweighed supply for the homes.

All 6 properties identified for this purpose were allocated to individuals in relevant employment. In this area the mid-market rent properties in general were heavily oversubscribed with 50 people chasing every property.

# Northern Innovation Hub

## Co-ionad Nuadhais a'Chinn a Tuath

### Lead Organisation

Highlands and Islands Enterprise

The Northern Innovation Hub (NIH) builds on and accelerates current business innovation support services in the region, enabling an increased focus on sectoral opportunities which will build global competitive advantage.

It is not a physical hub; instead it is a coherent grouping of programmes designed to benefit small and emerging enterprises across The Highland Council area.

The project provides a range of opportunities for eligible small-medium sized enterprises in the region, including graduate and student placement programmes, intensive support to young and emerging businesses, and digital skills programmes. It focuses on creating growth opportunities in the creative, food and drink, life sciences and tourism industries, with the cross-cutting themes of technology and young people.



## Original Project Funding

Government	£11,000,000
Other	£1,705,886
<b>Total</b>	<b>£12,705,886</b>

## Project Progress Update

Projects within the NIH programmes have progressed well in 2023/24, delivering 7 cohorts through IMPACT30 and Pathfinder Accelerator, with Food and Drink TechHUB and XpoNorth Digital running over 40 events. Several changes have been implemented to improve the evolving needs of SMEs in the area and while some projects have completed, many are still in progress, allowing review.

Extending the Technology Placements programme to any enterprise in the region, has had increased enquiries and applications to-date, 40% of placements have resulted in permanent positions within the organisations. However, recruitment delays can affect the number of graduates or students successfully appointed on a placement.

We expanded the eligibility criteria for the IMPACT30 program to include businesses trading for up to 5 years, rather than the previous 3 years. IMPACT30 highlights included Sandie Gordon of Candles from the Croft being awarded the Federation of Small Businesses national 'Young Entrepreneur Award' - the first year someone from the Highlands and Islands has won this award.

The life sciences and technology project Pathfinder Accelerator completed its last cohort having supported 150 enterprises. It was also the final year of the Developing Mountain Biking in Scotland (delivered by Scottish Cycling) supporting this subsector in Lochaber, Cairngorms and North Highlands, and the conclusion of the Let's Grow Adventure Tourism project. Together these tourism projects supported over 400 enterprises.

This year, we conducted a review of the Food and Drink TechHUB project. Plans for a physical facility did not advance, due to the challenges facing the industry since the project's original inception. After an options appraisal and a Change Request approved by the Board, we will be design a new program of activities to enhance the existing support available to the industry. This will include measures to enhance technology implementation and support the transition to Net Zero, as well as extending existing contracts for additional support and outputs.

This year the NIH programme supported several key events including UHI Business Competition, Highland Business Week, Highland Business Women Awards and Young Enterprise Scotland (Highland and Moray) Awards

## Partners

The NIH External Project Board comprises representatives from the Federation of Small Businesses; Scottish Council for Development in Industry; ImpactHub Inverness; Business Gateway; The Highland Council; Inverness, Caithness and Lochaber Chambers of Commerce, and Young People in Business along with three young entrepreneurs from NIH programmes.

## Inclusive Economic Growth

This year through the NIH projects, an estimated 73 new startup businesses have been created or supported, 53 new products or processes were created and 106 SMEs became Innovation Active Enterprises.

The majority of support is available at no cost to participants, with the exception of the Technology Placements where a financial contribution is required from the business. Beneficiaries are primarily small-medium sized enterprises, with some larger organisations employing graduate or student through the Technology Placement Programme. Technology Placements are available to businesses and social enterprises of any size, and provide funding to support the employment of a graduate or student to undertake a process or project improvement project, providing opportunities for young people to live and work in the region.

## Community Benefits and/or Net Zero

The projects within NIH programme are available across the entire region with the majority of activity delivered online to maximise accessibility for enterprises located in remote areas. Where face to face events are delivered, help with travel costs is made available where possible.

NIH are introducing Net Zero conditionality which will require supported enterprises to have a Net Zero Plan in place. A number of enterprises have been supported to develop products or processes which focus on carbon efficiencies.

A Badenoch-based software developer created a digital platform designed for land managers to assess options for land use including carbon capture and storage. Taking part in Pathfinder Accelerator supported the developer to refine their customer discovery piece, gaining user feedback to further develop the business model, resulting in a successful product launch.

All third-party suppliers are required to deliver community benefits as part of their contractual arrangements. Some examples include: engaging with local entrepreneurs, partners and investors to provide input to programmes; working in partnership with the STEM Ambassador Scheme to upskill and qualify participants to serve as community role models; partnering with the University of the Highlands

and Islands (UHI) to provide learning and development opportunities around business and entrepreneurship; developing communities of interest and facilitating programmes to increase collaborations and economies of scale in rural and remote communities.

## Benefits

### Number of enterprises supported in 2023/24

#### Creative Industries (XpoNorth Digital)

Caithness and Sutherland: 9  
Lochaber, Skye and Wester Ross: 24  
Inner Moray Firth: 64

Total: **97**

#### Food and Drink programme (TechHUB)

Caithness and Sutherland: 9  
Lochaber, Skye and Wester Ross: 10  
Inner Moray Firth: 18

Total: **37**

#### Life Sciences programme (NEXUS, Pathfinder, Business to Healthcare)

Caithness and Sutherland: 1  
Lochaber, Skye and Wester Ross: 6  
Inner Moray Firth: 46

Total: **53**

#### Tourism programme (Adventure Tourism, Digital Tourism)

Caithness and Sutherland: 0  
Lochaber, Skye and Wester Ross: 0  
Inner Moray Firth: 0

Total: **0**

#### IMPACT30 Young Entrepreneurs programme

Caithness and Sutherland: 4  
Lochaber, Skye and Wester Ross: 12  
Inner Moray Firth: 38

Total: **54**

#### Technology Placements programme

Caithness and Sutherland: 0  
Lochaber, Skye and Wester Ross: 1  
Inner Moray Firth: 19

Total: **20**

#### Total enterprises supported

Caithness and Sutherland: **7.92%**  
Lochaber, Skye and Wester Ross: **21.25%**  
Inner Moray Firth: **70.83%**  
Total: **240**

### Support to develop products, services or processes

**2,047** enterprises  
supported up to 1 day

Target: 2000 Target Date: March 2027

**467** enterprises  
supported 1-5 days

Target: 326 Target Date: March 2027

## Benefits

Intensive support to develop products, services or processes (5+ days)

**509** of enterprises supported

Target: 625

Target Date: March 2027

**51** enterprises cooperating with research institutions

Target: 40

Target Date: March 2027

**229** organisations supported to enhance digital capacity and utilisation

Target Date: March 2027

**38** enterprises engaged in collaboration

Target Date: March 2027

**485** enterprises becoming Innovation Active as a result of NIH intervention

Target: 640

Target Date: March 2027

**344** new products/processes created

Target Date: March 2027

**216** of participants with increased skills

Target Date: March 2027

**8** Improved collaboration (qualitative, but leading to other quantitative performance improvements)

Target Date: March 2027

**491** FTE Employment (direct, indirect and induced)

Target: 491

Target Date: March 2027

**243** No. of start-ups created

Target Date: March 2027

**£7,479,209\*** Increase in turnover of supported enterprises as a result of NIH intervention (£m per annum - City-Region)

Target: £10,930,000\*

Target Date: March 2027

\* Estimated

## Case Studies

### IMPACT30 – Candles from the Croft

[www.hie.co.uk/knowledge-library/case-studies/candles-from-the-croft](http://www.hie.co.uk/knowledge-library/case-studies/candles-from-the-croft)

Coming from a family of crofters dating back five generations, Sandie Gordon was keen to start a business rooted in the industry. After a lot of thought and extensive market research, Sandie found her niche in handcrafting sustainable, vegan, eco-friendly home fragrances from her family's croft in Altass in the Scottish Highlands. After endless testing and many sleepless nights, Sandie was ready to launch her business, Candles from the Croft, in 2023.

Seeking support from other industry leaders, Sandie reached out to NIH IMPACT30 for help.

Starting her IMPACT30 journey in August 2023, Sandie said:

"My experience has been fantastic so far. My mentor has shared so much insight and has assigned me some great reading material to benefit my development. I've also learned a lot from the roundtables and from the experiences shared by my peers. "Everyone is backing your corner and willing to help ensure you get as much from the programme as possible. Already I've developed new skills and I'm increasingly understanding the importance of being confident in yourself, as well as the product you're taking to market."

Just 11 months in business, and 6 months into her IMPACT30 journey, Sandie is already putting her new skills into practice and reaping the rewards. Hoping to grow her team and enter the international market, her mentor has helped her set ambitious goals for the year ahead.

In March 2024, Sandie was awarded the Federation of Small Businesses 'Young Entrepreneur Award' - the first time someone from the Highlands and Islands has won this award. Candles from the Croft also made its official TV debut earlier this year on Sky TV's new series showcasing some of the finest handmade products across the UK.

Encouraging others to step out of their comfort zone, she added:

"IMPACT30 has really helped get my business to the next level and I just can't thank the coaches and mentors enough. I would recommend others in a similar position to apply - don't be afraid to put yourself out there because you'll get so much from the experience and certainly won't regret it."

IMPACT30 is a cohort programme custom-designed to develop young business leaders and entrepreneurs in the Highlands, focusing on the tools, skills and knowledge required for growth.



## Case Studies

### Technology Placements – 4c Engineering

[www.hie.co.uk/knowledge-library/case-studies/4c-engineering-graduate-placement](http://www.hie.co.uk/knowledge-library/case-studies/4c-engineering-graduate-placement)

A close-knit team of creative engineers, 4c Engineering enjoy getting stuck into challenging technical problems, devising high quality solutions and nurturing the next generation of talent. Continuing its long-standing commitment to supporting young people, 4c Engineering has hosted several placements over the past five years – most recently, a 12-week student placement during summer 2023 with help from the NIH's Technology Placement Programme.

With a commitment to nurturing the next generation of talent, 4c Engineering project manager and placement lead, Peter MacDonald, said:

“Young people are the future and we as local employers have a moral obligation to play an active part in their development. There is a huge demand for work experience opportunities, moving students out of the comfort zone of academia to widen their skillset and confidence, and help them understand what they want to focus on after university. However, the availability of funding can often constrain these valuable opportunities.”

Highlighting the opportunities for both student and business, Peter reflected on student Emma Chan's 12-week NIH placement:

“The placement proved extremely beneficial, with Emma making a substantial and innovative contribution to our business. Her fresh perspectives and positive disruption rejuvenated our office dynamics.

“Emma and I experimented with the use of artificial intelligence (AI) to help streamline our practices and found it particularly helpful in capturing transcripts from Teams meetings and interviews. This has now become a valuable tool for the business which has enhanced our efficiency.”

“Exploring new technologies, such as AI, can be a challenge for companies amid their busy schedules. Emma's input helped us not only identify how it can be used to our advantage but accelerated the company-wide adoption of this technology.”



4c Engineering have continued to support Emma since her placement, and ensured she was named as a contributing author on the project report she helped produce.

The NIH's Technology Placement Programme offers organisations of all sizes in The Highland Council area up to 70% funding for a student or graduate placement to help businesses keep up with the pace of technological change and accelerate growth through innovation.

### **Destination Development - Visit Cairngorms Cycling Campaign:**

The Bike Plan for the Cairngorms highlighted the potential of promotable longer routes linking communities, bike packing and gravel cycling in the National Park. This prompted Cairngorms Business Partnership (CBP) to devise a long-distance circular route around the national park, and commission influential bike packing media creator Markus Stitz to experience the route and create a hero film sharing his experiences.

Integral to this longer route, was the idea to make shorter routes based around villages, supported by the local bike shops based there. Following workshops hosted by CBP and DMBinS, the bike shops shared routes and helped create a set of cycling experiences where visitors could sustainably explore the national park. With support of the Cairngorms Capercaillie Project, these routes were screened for environmental impacts and amended to mitigate these impacts. This included rerouting or incentivising riders to minimise impacts by promoting attractive points of interest in less sensitive areas. The routes have been tested by local bike shops, and shared with customers via GPS devices that are pre-loaded with routes.

This has been an innovative destination led approach to promoting sustainable off road cycling experiences to a more mainstream market which highlights what can be achieved by working destinations, environmental agencies, local business and DMBinS working in partnership.

Developing Mountain Biking in Scotland project had six main elements – Masterplanning, Innovation, supporting Voluntary Trail Associations, MTB Secure Storage Grant Scheme, Specialist Workshops and Destination Development.

Match funding was provided primarily from the Cairngorms National Park Authority through the Cairngorms Capercaillie Project. The project also secured additional match funding from Scottish Government, Lochaber Chamber of Commerce, Cairngorms Business Partnership, and local trails associations.

# Longman Land Remediation Ath-leasachadh Talmhainn an Longman

## **Lead Organisation**

The Highland Council

To regenerate a redundant landfill site in Inverness for development-ready land for light industry/commercial use.

## Original Project Funding

UK/Scottish Government	£10,000,000
<hr/> Total	£10,000,000

## Project Progress Update

To regenerate a redundant landfill site in Inverness for development-ready land for light industry/commercial use. The site is in the ownership of Inverness Common Good and any proposed use will require the approval of The Highland Council's City of Inverness Area Committee.

The project is collaborating with a prospective hydrogen developer to explore the possibilities of producing and distributing hydrogen on-site once the land remediation is complete. This initiative is a component of the Green Freeport outline business case, which aims to establish a sustainable and eco-friendly energy infrastructure. The inclusion of hydrogen production and distribution aligns with the broader goals of reducing carbon emissions and promoting renewable energy sources in the Highlands.

In February 2024, the Inverness and Cromarty Firth Inverness Green Freeport received approval from both the Scottish and UK Governments. This approval marks a significant milestone in advancing the project, providing a solid foundation for further development and implementation. The endorsement from these governing bodies underscores the strategic importance of Inverness and Cromarty Green Freeport in driving economic growth and environmental sustainability in the region and therefore the strategic importance of the planned remediation works at the Longman site.

The Highland Council is currently in the process of finalising the land requirements necessary to support the development of the land. This step is critical to ensure that all spatial and logistical needs are adequately addressed, paving the way for the next phases of the project.

Additionally, the project is working closely with NatureScot to finalise plans for mitigating the impact on local badger populations once the land requirements are confirmed. These mitigation plans are essential to balance development with the preservation of local wildlife, ensuring that the project's environmental footprint is minimized. The collaboration with NatureScot highlights the commitment to maintaining biodiversity and protecting natural habitats while pursuing ambitious infrastructural developments.

## Partners

The Highland Council will collaborate closely with a hydrogen production developer to effectively utilise the site. This partnership aims to ensure that the site is used to its full potential, integrating hydrogen production seamlessly into the region's infrastructure. Through this joint effort, both parties will focus on optimising the site for sustainable energy production, fostering economic growth, and contributing to environmental goals.

## Inclusive Economic Growth

The site is part of the successful Opportunity Cromarty Firth Inverness and Cromarty Firth Green Freeport bid and an outline business case for the overall Inverness and Cromarty Firth Green Freeport project was approved.



# 15

## Inshes Junction Improvement Phase 2 (The Highland Council)

## Leasachadh Snaidhm-rathaid nan Innseagan Ìre 2 (Comhairle na Gàidhealtachd)

### **Lead Organisation**

The Highland Council

To redesign the Inshes corridor with the aim of mitigating current congestion problems and implementing an approved layout to enhance the efficiency and effectiveness of journeys.



## Original Project Funding

Council	£8,500,000
<b>Total</b>	<b>£8,500,000</b>

## Project Progress Update

The design of the scheme has made progress, and we have submitted a planning permission application to the local authority to move forward to construction. Key activities are ongoing, including 3D modeling, drainage design, flood risk assessment, and an ecological survey with detailed reporting. Additionally, we held further public consultations related to the planning application to gather community feedback and ensure transparency throughout the process. These actions reflect our commitment to creating a well-planned and environmentally responsible project that meets the needs of the community.

The local City of Inverness Area Committee agreed to recommend to Council that plans were taken forward for use in progressing the Compulsory Purchase Orders for the scheme.

Possibility of flooding still remains the primary risk, and the project continues to work with SEPA to resolve the outstanding objection to planning permission.

## Partners

Transport Scotland are developing the A9/A96 Inshes to Smithton Scheme which ties in directly to the Council scheme.

## Community Benefits and/or Net Zero

Community benefits will be built into the construction phase for the contractor to employ engineering trainees during the works, and involve local schools and UHI with projects and site visits. The scheme will provide better active travel opportunities.

## Additional Investment

### The Highland Council

**£9,900,000**

Investment approved in review of capital plan in March 2024.

# 16

A9/A82 Longman Junction &  
A9/A96 Inshes to Smithton  
(Transport Scotland)

A9/A82 Snaidhm-rathaid an  
Longmain & A9/A96 Na h-Innseagan  
gu Baile a' Ghobhainn  
(Còmhdhail Alba)

## Lead Organisation

Transport Scotland

The Scottish Government's commitment to the Inverness and Highland City-Region Deal includes up to £109,000,000 for the grade separation of Longman Roundabout along with the A9/A96 Inshes to Smithton Link Road.

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



## **Original Project Funding**

**Government** up to £109,000,000

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**Total** up to £109,000,000

## **Project Progress Update**

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

### **A9/A82 Longman Junction**

The preferred option for the A9/A82 Longman Junction Improvement scheme was announced in June 2019 and comprises a grade separated junction with the A9 passing over the A82. The junction slip roads form a diamond layout ending at an enlarged roundabout with connections to the A82 and Stadium Road. Dedicated active travel route provisions covering approximately 4.3km are incorporated into the scheme design.

Transport Scotland continues to progress the detailed development and assessment of the preferred option for improvements at Longman, including taking into consideration The Highland Council's Bus Partnership Fund aspirations, updates to design standards, climate change guidance from SEPA, and to complete the engineering, economic and environmental aspects of the DMRB assessment. This work will culminate in the publication of draft Orders and an Environmental Impact Assessment Report (EIAR) for formal comment once the necessary technical work has been concluded.

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. Timescales associated with any Public Local Inquiry that may be necessary are outwith the control of Transport Scotland.

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.

## **A9/A96 Inshes to Smithton**

The proposed scheme comprises approximately 3.2km of new single carriageway (mainline and side roads), to improve the road network between the existing A9 and A96 and incorporates over 7km of active travel facilities, the design of which were developed in collaboration with The Highland Council.

Following publication of draft Orders and the EIAR in September 2019, a number of objections were received. The Scottish Ministers have considered the remaining objections and reached a decision that a Public Local Inquiry is not necessary and that Orders should be made as published.

Transport Scotland is now taking forward the necessary procedural steps which are required to be completed to complete the statutory process and take the powers required to finalise the acquisition of land required to build the scheme.

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.

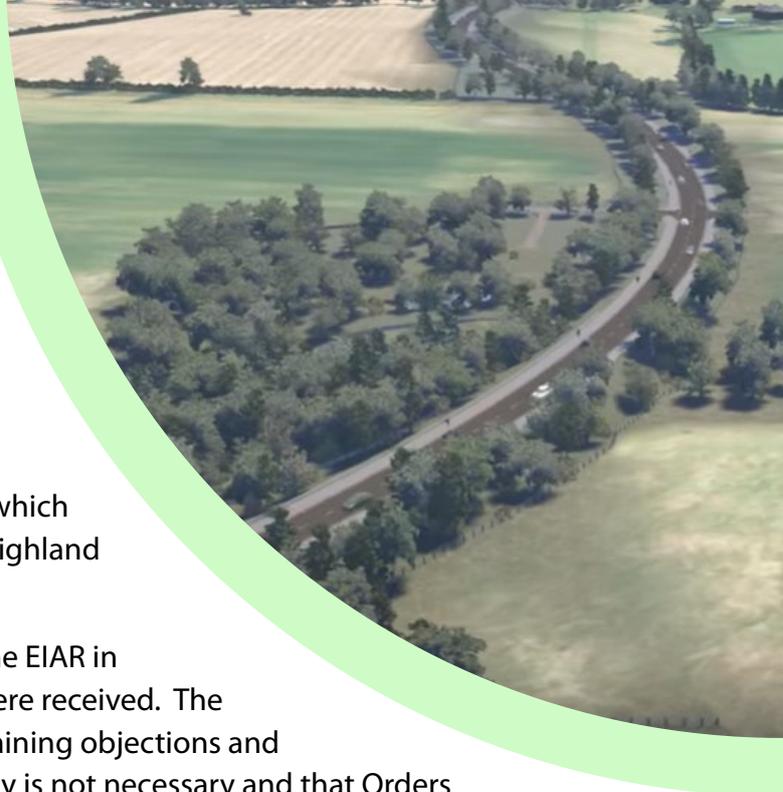
It is noted that the A9/A96 Inshes to Smithton scheme is interdependent with both the A96 Dualling Inverness to Nairn (including Nairn Bypass) and the Inshes Junction Improvements – Phase 2 road schemes which are being progressed by Transport Scotland and The Highland Council respectively.

In terms of the A9/A96 Inshes to Smithton scheme, Transport Scotland is taking 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.

On A9/A82 Longman Junction, Transport Scotland continues to progress the detailed development and assessment of the preferred option. This work will culminate in the publication of draft Orders and an Environmental Impact Assessment Report (EIAR) for formal comment once the necessary technical and assessment work has been concluded.

## **Partners**

Transport Scotland continues to work collaboratively with The Highland Council across both schemes given their significance as a major landowner and local roads authority.



## **Inclusive Economic Growth**

Investment in transport infrastructure projects such as the proposed A9/A82 Longman Junction Improvement and A9/A96 Inshes to Smithton will provide inclusive economic growth through the reduction of journey times, improving connectivity within the Highlands, improving the accessibility and attractiveness of sustainable travel methods, improving the attractiveness of the area to tourism and through the delivery of development land. Specifically, the projects will contribute to inclusive economic growth in the following ways:

- Improvements in road user safety and active travel user safety.
- Significant investment in active travel provision – providing both new active travel routes and enhancing existing routes to contribute to an improved active travel network across Inverness and the surrounding communities. This would provide improved connectivity across the city and between communities, improving the attractiveness of more sustainable and healthy methods of travel such as walking and cycling, leading to improvements in physical and mental health.
- Improvements to the public transport network – reduction to journey times and the reliability of services increasing the attractiveness and accessibility of public transport for journeys across the city and between communities.
- Provision of required infrastructure to support The Highland Council's development proposals to the east of Inverness.
- Physical renewal of existing infrastructure.
- Connecting people to economic and social opportunities.
- Improving the attractiveness of the area and encouraging tourism to the area.

## Community Benefits and/or Net Zero

As part of the delivery of the A9/A82 Longman Junction Improvement and A9/A96 Inshes to Smithton schemes, Transport Scotland and its technical advisers, Jacobs, have engaged with several schools and local organisations to provide educational support, supply equipment and facilitate Science, Technology, Engineering, Arts and Maths (STEAM) activities. Engagement has been carried out with a number of schools including Additional Support Needs (ASN) Departments within Inverness and the surrounding areas, which has been well received by pupils and teachers alike.

The engagement aims to improve the pupils' motor skills, creative thinking skills, communication and collaboration skills, and helps to build their well-being and resilience. The engagement aids pupils to advance their abilities and provides them with the key skill sets they will require to use as building blocks to reach their desired future careers.

In addition to direct engagement with schools, the projects have also facilitated engagement at events or with local organisations, such as the Young Engineers and Science Clubs (YESC) Scotland's Celebration of Science, Technology, Engineering and Maths (STEM) Events, STEM Ambassadors and Teacher Drop-in Sessions, STEM after School Club Sessions, Sustainable Development Goal (SDG) Sessions and Career Fairs. A further community benefit delivered by the projects in the period include a litter pick on North Kessock Beach.



North Kessock Beach clean-up, photo by Transport Scotland

# Highland Air Access Inntrigeadh Adhair na Gàidhealtachd

## Lead Organisation

HITRANS

The Inverness and Highland City-Region Deal has established the Highland Air Access Group to work on supporting the region's connectivity both through supporting our existing links and seeking new opportunities to better connect the region. This recognises the environmental impact of aviation and embraces the ambition set out by Scottish Government for the Highlands and Islands to be the world's first net zero aviation airspace by 2040.

## **Original Project Funding**

Non-funded project.

## **Project Progress Update**

During 2023/24 The focus of activity has been in supporting the leadership opportunity on low carbon aviation with the Sustainable Aviation Test Environment (SATE) project which has been part-funded by UK Research and Innovation (UKRI) through the Industrial Strategy Challenge supporting the development of greener ways to fly. SATE is now in its second phase which commenced in July 2022.

This year has seen the SATE lead partner role transition to HITRANS allowing a stronger link to the wider transport strategy for the Highlands and Islands and opportunities to explore wider testing of sustainable aviation beyond the main SATE test centre at Kirkwall Airport.

Progress for the year saw Arc Aerosystems conduct tethered trials of the ARC C-600 autonomous aircraft at Wick John O'Groats Airport in November 2023. Other highlights included:

- Hybrid Air Vehicles Airlander concept of operations study completed showing this aircraft can deliver cost effective, low emission passenger and freight transport to communities across the Highlands and Islands.
- Cranfield Aerospace joined the SATE consortium to progress the development of Hydrogen propulsion technology in aircraft and infrastructure requirements for fuelling.
- Exploration of opportunities to test Windracers UAV Ultra drones in the Western Isles, Skye and Argyll & Bute.

## **Partners**

HITRANS – are lead partner on Highland Air Access Group.

Other partners in the group are The Highland Council, Highlands and Islands Airports, Transport Scotland, HIE and airlines.

## Contacts

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Fiona Hampton	Project Lead Inverness Castle
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[www.highland.gov.uk/cityregiondeal](http://www.highland.gov.uk/cityregiondeal)

Inverness & Highland  
City-Region Deal



Cùmhnant Baile-Roinn  
Inbhir Nis & na Gàidhealtachd

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