

The Highland Council

Agenda Item	10
Report No	ECI/39/25

Committee: Economy and Infrastructure

Date: 13 November 2025

Report Title: Inverness & Highland City-Region Deal – 2024/25 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 2024/25.
- 1.2 Producing the Annual Report is an obligation of the IHCRD undertaking, and forms part of the Annual Conversation which for 2025 is to be held on 11 November between senior Council officials representing the IHCRD, and Scottish and UK Government Heads for Regional Economic Development and for City Deals.
- 1.3 In addition to reporting the progress of all projects across the Deal during 2024/25 reporting period, Section 5 of this report also provides Members with some headlines from 2025/26, with significant milestones being achieved for the following Projects:-
 - **Inverness Castle** = preparations for the Inverness Castle Experience are progressing well, with construction and interpretation works nearing completion, key staff recruited, systems ready and opening plans prepared. This project is designed to act as a gateway, dispersing visitors to explore experiences across the Highlands.
 - **Corran Ferry Infrastructure Improvements** = planning consent has been secured, and infrastructure tendering is underway for the project, with construction scheduled to begin in January 2026 and completion targeted for May 2027.
 - **Corran Ferry New Electric Vessel** = the procurement strategy for the new vessel has been completed and agreed, with work to finalise the joint tender partnership nearing completion.
 - **Longman Land Remediation** = a planning application for the initial phase of works has been approved, with site preparation and badger mitigation now underway, supported by Seed Capital funding.

- **Science Skills Academy** = performing strongly, with increased engagement in STEM activities and outreach, and a new Highland Green Skills Pathway module launching in January 2026 to further support skills development and community involvement.

2 Recommendations

- 2.1 Members are asked to **note** the IHCRD Annual Report as a record of the activity and delivery during 2024/25.

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 and Highland City-Region Deal which is being implemented through a partnership between the Council, Highlands and Islands Enterprise, The University of the Highlands & Islands, HITrans, Albyn Housing Society Ltd and Transport Scotland.
- 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 of £428.7m. This growth underscores the strong commitment from all stakeholders to drive economic development and innovation in the region.

5.3 Whilst this report presents the progress of projects for 2024/25, the following provides Members with some of the headlines from 2025/26, again demonstrating the significant impacts the Deal continues to make across the Highland Council Area:-

- **Inverness Castle**

Contractors are working in tandem to complete both the main construction and the interpretation fit out works for the Inverness Castle Experience. External landscaping and garden planting are complete and snagging of the works are currently being completed. Recruitment for the full operational team is also on track, with all key roles filled and training programmes aligned with the opening timeline.

The Experience has been designed to showcase the whole of the Highlands, encouraging visitors to go on to explore stories, historic sites, food and drink, and culture in a wide range of other locations. It will therefore act as a catalyst for tourism across the area and a gateway for the estimated 400,000 Visitors per year to disperse across the Highlands.

Preparations for launch are advancing, with ticket sales set to begin approximately one month prior to opening. Supporting systems, including EPOS and the website, are fully developed and ready. Final snagging and commissioning activities are underway to ensure a smooth handover of the building. Meanwhile, plans for the official opening ceremony are in progress.

- **Corran Ferry Infrastructure Improvements**

Planning consent for the project was received in September 2025, with Marine Licence approval also granted. The infrastructure works tender was issued in July, with submissions due by 16 October. Following tender evaluation and award in mid-December 2025, construction is scheduled to begin in January 2026, with completion programmed for May 2027.

- **Corran Ferry New Electric Vessel**

The procurement strategy for the new vessel has been completed and agreed, with progress as planned in finalising the joint tender partnership.

- **Longman Land Remediation**

A planning application for the initial phase of works, including platforming and access road construction, has been approved. The contractor is now on site, progressing with badger mitigation and early site preparation, supported by Seed Capital funding.

- **Science Skills Academy (SSA)**

Operationally, SSA is performing strongly, with an increase in interactions recorded from the same period in 2024. This includes pupils engaged in full-day modules and in extracurricular STEM activities. A new module, part of the Highland Green Skills Pathway, is set to launch in January 2026. SSA also continues its community outreach, engaging 864 members of the public over the summer, including 400 at the Belladrum festival, a key annual event in partnership with Skills Development Scotland.

6 2024/25 Project Progress

- 6.1 The projects within the Deal are shown in **Appendix 1** Inverness and Highland City-Region Deal Annual Report 2024/25. 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 quarterly to the Inverness and Highland City-Region Deal Monitoring Group in a consistent format which provides for visibility on status, progress, risk, and where remedial action may be necessary. Highlights for the 2024/25 period are summarised in the following sections of this report.

6.2 Inverness Castle

Recruitment to the new Inverness Castle Experience team was initiated in summer 2024, with the new Head of Inverness Castle Experience starting in January 2025. Appointments to other key posts within the Senior Management Team and Central Support Services has continued and a recruitment schedule for the full team is being implemented.

A detailed training programme has been devised for all staff roles, with a programme combination of off-site and front-line training.

Following a tender process, a specialist retail buyer was appointed by High Life Highland to begin the process of selecting and sourcing the stock lines that will become the retail experience within the castle.

Tickets prices and admission packages were developed and released to the public by High Life Highland, which included details of the 'Highland Pass' to promote local patronage.

6.3 Corran Ferry Infrastructure Improvements

The Environmental Impact Assessment (EIA) Report for the Corran Ferry Infrastructure Improvement Scheme was completed, marking a key milestone in the project's progression. Statutory consent applications, including the planning and marine licence submissions, were lodged in February 2025, initiating the formal consultation process. This phase is essential to ensure compliance with environmental and regulatory standards and involves engagement with statutory consultees such as SEPA and NatureScot.

Alongside the consultation, the detailed design drawings and contract documentation will be completed ahead of tender documentation being scheduled for issue in summer 2025.

Positive progress has also been made in landowner engagement. Arrangements have been reached on areas for both land acquisition and temporary occupation required during construction, with formal agreements underway.

This proactive engagement helps keep the project on track and well-positioned to move to proceed into procurement and construction phase once statutory consents are secured.

6.4 **Corran Ferry New Electric Vessel**

In November 2024, the Scottish Government approved a reallocation of City-Region Deal funding from the Longman Junction Improvement project to support the delivery of a new electric ferry for the Corran Narrows crossing. This strategic shift represents a significant step toward delivering a modern, low-carbon transport solution for the region.

Key project milestones for the reporting period include the completion of the final concept design in April 2024, enabling procurement planning and stakeholder engagement. An inception workshop in February to initiate the Outline and Full Business Case. In March, a dedicated session led by the Council's Energy Team defined requirements for shore-side charging infrastructure, and exploratory discussions were held with a Glasgow-based infrastructure provider regarding potential partnership opportunities.

6.5 **Longman Land Remediation**

During the 2024/25 progress was made in preparing the Longman site for future development. A key milestone was achieved through close collaboration with NatureScot, resulting in the badger mitigation plans being accepted in principle. This agreement enabled the project to advance, pending planning approval.

In parallel, the team progressed a seed capital funding application through the Inverness and Cromarty Firth Green Freeport. This funding will support the implementation of the badger mitigation measures and facilitate initial site preparation.

In the later part of the year, the planning application was formally submitted, and the badger mitigation works are now on site.

6.6 **Life Sciences Innovation Centre**

During 2024/25 the project exceeded targets in three out of four outcome categories and commissioned major scientific equipment for the medical nanotechnology suite, which is now operational enabling advanced research within the dedicated laboratory.

Research capacity has grown with two new Research Assistants one in Medical Nanotechnologies and one in One Health. A permanent Commercial Partnerships Manager was appointed to support health and life sciences beyond the Deal's lifetime.

The project fostered collaborations with industry and academia, hosted several high-profile events, and participated in regional health innovation activities.

6.7 **Science Skills Academy**

The Science Skills Academy (SSA) has continued to deliver STEM education to 10–14-year-olds across all 196 Highland Council schools in 2024/25, removing both geographic and financial barriers through its network of Newton Rooms, including their pop-up facility. Over 10,000 engagements have been recorded this year through school, community, and festival activities, with hands-on modules covering topics such as Energy, Space, Health Science, and Aviation.

SSA's partnerships with organisations such as the National Space Academy and OPITO have enabled further enrichment opportunities, including a Space Camp and

the 'Powering the Future' Learning Lab. Community engagement continues, with staff delivering activities beyond schools and participating in regional science festivals. Feedback from teachers and pupils highlights the positive impact on engagement and science capital.

6.8 **Innovative Assisted Living (FitHomes)**

The projects originally allocated funding ended in March 2024. Albyn Housing Society successfully delivered 32 purpose-built FitHomes, each equipped with a technology package designed to support tenants in living independently at home. In addition, 16 existing homes were retrofitted to include the same technology.

Since completing the initial construction phase, the project has continued to evolve, focusing on refining the FitHomes allocation system and progressing towards the launch of a commercial product and social enterprise. These developments aim to support future commercialisation and potential expansion.

This year has seen significant technological advancements. Key highlights include the rollout of an enhanced user interface, the expansion of academic partnerships, and the launch of a new pilot programme designed to support vulnerable clients.

To date, approximately 600 sensors have been deployed across FitHomes properties, enabling daily operational support and infrastructure monitoring. A new sensor is currently in development through a Knowledge Transfer Partnership (KTP) with Robert Gordon University, further strengthening the project's innovation and research capabilities.

6.9 **Affordable Housing**

During 2024/25, a total of 70 new homes were successfully completed across several key need locations, including Fort William Kingussie, Dornoch, and Inverness, a continued commitment to addressing housing needs across the Highland region.

In addition, construction commenced on new developments that will deliver 137 additional homes. These projects are spread across multiple sites, notably including Tornagrain, Conon Braes and Inverness Stratton Phase 2. These developments will contribute to the region's housing stock in the coming years.

To date, a cumulative total of 491 homes have been completed under the Deal housing programme.

6.10 **Northern Innovation Hub**

The Northern Innovation Hub (NIH) programme projects progressed well during the year. This included three IMPACT30 cohorts, 10 Food and Drink TechHUB events, and the final year of XpoNorth Digital, delivering a range of events and providing specialist advice support to 28 beneficiaries. Individual NIH projects supported 239 enterprises with either moderate, considerable or intensive support this year.

Other highlights for the year included the Food and Drink TechHUB phase 2 programme formally launched in Inverness in September 2024. This programme will deliver extended virtual support focusing on technology, productivity and net zero.

The Technology Placement Programme supported 25 enterprises this year. Five graduate placements have resulted in permanent positions within the organisations.

The XpoNorth Digital project was extended by six months and completed at the end of January 2025. Through workshops, webinars, 1-2-1 specialist advice and events, 1106 beneficiaries have been supported.

6.11 **Transport Infrastructure – Highland Council**

Inshes Junction Improvement Phase 2

The design of the scheme progressed during the year 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 public consultation related to the planning application process.

6.12 **Transport Infrastructure – Transport Scotland**

A9/A96 Inshes to Smithton

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

Orders for the scheme were Made on 20 June 2024, which completed the statutory authorisation process for the project, and Transport Scotland has now completed the necessary procedural steps to finalise acquisition of the land required to construct the project, with Scottish Ministers taking title to the land on 5 May 2025.

Work is also being progressed to determine the most suitable procurement option for delivering the scheme and thereafter a timetable can be set.

A market consultation was launched in February 2025 to inform further decision-making for completion of A9 Dualling and also to seek industry views to inform the development of the procurement approach for the A96 Dualling Inverness to Nairn (including Nairn Bypass) and A9/A96 Inshes to Smithton projects. The feedback received from this market consultation will be important for the development of the approach to procuring and constructing both the A96 Dualling Inverness to Nairn (including Nairn Bypass) and the A9/A96 Inshes to Smithton projects.

A9/A82 Longman Junction

In November 2024, the Scottish Government approved The Highland Council's request to revise its commitment under the Inverness and Highland City-Region Deal. This revision involved replacing the commitment to the Longman Junction Improvement project with the provision of funding for a new ferry to serve the Corran Narrows crossing.

Although the Longman Junction Improvement has been removed from the Inverness and Highland City-Region Deal, the Scottish Government remains committed to the project. It remains part of the national transport investment pipeline which is subject the Scottish Government's annual budget-setting and prioritisation processes.

6.13 Highland Air Access

The focus of activity in 2024/25 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.

Scenarios are being developed to further provide insight into how the technology can improve connectivity and services, and in addition, it is hoped to test the technology through operations from Wick John O'Groats Airport and Ashaig Aerodrome in the Isle of Skye.

SATE has been selected as one of 13 projects under the latest phase of the Civil Aviation Authority's Hydrogen Sandbox to create a better understanding of hydrogen technologies, shape future regulation, and ensure they are safely adopted into the aerospace sector.

7 Governance

7.1 The Deal projects are reported to the quarterly held Inverness and Highland City-Region Deal Programme Board, with attendance from the IHCRD Programme Manager and IHCRD Programme Management Office representatives, the lead officers for each project, a Deal representative from the Council's Finance Service, and officials from 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 Inverness and Highland City-Region Deal Monitoring Group.

8 Government Reporting & The Annual Conversation

8.1 In fulfilling its role as the 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 11 November 2025, with the principal attendees including senior Council officials representing the IHCRD, and Scottish and UK Government Heads for Regional Economic Development and for City Deals.

8.3 The Annual Report for 2024/25 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: 20 October 2025

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Background Papers: None

Appendices: Appendix 1 – Annual Report 2024/25

Inverness & Highland City-Region Deal



Cùmhnant Baile-Roinn Inbhir Nis & na Gàidhealtachd



Annual Report
Aithisg Bhliadhnail
2024/25



Funded by
UK Government



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 privilege to present the Annual Report for the Inverness & Highland City-Region Deal, covering the period April 2024 to March 2025. This ten-year collaboration between The Highland Council, the UK Government, the Scottish Government, and our partners continues to deliver transformative investment.

This year saw the formal inclusion of the Corran Ferry and associated shoreside improvements within the Deal programme, a major step forward for regional transport and connectivity. This reflects a growing emphasis on supporting rural infrastructure, recognising the critical role that reliable, low-carbon transport plays in sustaining communities and driving local economic development. Throughout 2024/2025, progress continued across a broad range of Deal-supported initiatives, including housing, infrastructure, innovation, and skills. These projects are central to enabling inclusive, sustainable growth and ensuring Highland communities can thrive in a changing economy.

At the same time, we have continued to navigate the challenges of inflationary pressures, particularly in the construction sector. Rising costs have required careful re-evaluation of project delivery strategies, phasing, and funding approaches. Despite this, our partners have remained committed, resourceful, and forward-looking, ensuring that ambitions remain intact and progress continues.

As we look toward the final years of the programme, our focus remains on ensuring every pound of investment delivers lasting value, economically, socially, and environmentally. I offer my sincere thanks to our delivery partners, communities, government colleagues, and stakeholders for their ongoing collaboration and shared determination to secure a prosperous future for the Highlands.



A stylized, handwritten signature in black ink that reads "Raymond". The signature is fluid and includes a long horizontal stroke 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 nine of the ten-year Inverness and Highlands City-Region Deal (IHCRD). The deal signed on 30th 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 attracting 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 Association 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 2024/25

Inverness Castle

Recruitment began during the year, with the new Head of Inverness Castle Experience officially starting in January 2025. This marked the beginning of the core team coming together, including leads for Visitor Services, Food and Beverage, Retail, and HR and Training.

A revised construction and fit-out schedule was agreed, and both contractors have continued to make steady progress. With the final landscape designs now signed off, work on the outdoor spaces is also moving forward.

By February 2025, the new link building was fully glazed, offering a striking visual connection between the historic and modern elements of the castle. One of the most exciting milestones was the return of the Rose Window, fully restored and now installed in the South Tower Story Room.

Creative development is also well underway, where local Highland artists have begun crafting the audio-visual content that will bring the Castle's rich stories to life for future visitors.

Longman Land Remediation

Following NatureScot's approval in principle of the badger mitigation plans, a planning application for the initial phase of development was submitted in March 2025. This phase includes platforming works and the construction of a new access road, marking a significant step forward in preparing the site for future development.



Northern Innovation Hub

In April, the final alumni event for the Pathfinder Accelerator took place to celebrate the achievements of 139 life science and technology-focused enterprises that have benefitted from the initiative. The event featured a dynamic Dragons' Den-style pitching session, and a thought-provoking fireside chat exploring the opportunities and challenges facing businesses in the region.

At the University of the Highlands and Islands (UHI) Business Competition Awards held in May, three current IMPACT30 participants were named as finalists and two of these businesses went on to win in their respective categories.

This year, the Creative Industries: XpoNorth Digital programme successfully concluded, having supported more than 1,100 beneficiaries across the creative sector. Through a mix of workshops, webinars, one-to-one specialist advice, and industry events, the programme has helped individuals and businesses build skills, grow networks, and explore new opportunities.

Corran Ferry Infrastructure Improvements Scheme

In February 2025 applications for both planning and the marine licence were submitted.

Affordable Housing

During this year, 70 Mid-Market Rent homes were completed and allocated to tenants across The Highland Council area. From the northern town of Dornoch, through Conon Bridge, Inverness, and Drumnadrochit, to communities further south in Carrbridge, Kingussie, Newtonmore, and down as far as Fort William, these new homes are now providing much-needed housing.

Life Sciences Innovation Centre

Since opening, the facility has reached a significant milestone, with key equipment now fully operational. The mass spectrometer is actively in use, and the physical vapour deposition chambers have been successfully commissioned. In addition, the Nikalyte instrument has begun generating nanoparticles, and the medical nanotechnology equipment is fully functional, marking a major step forward in the Centre's research capabilities.

A9/A96 Inshes to Smithton

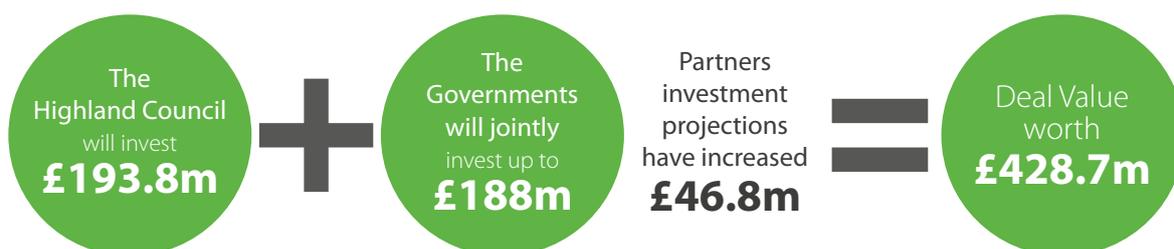
The Made Orders for the A9/A96 Inshes to Smithton scheme were published on 20th June 2024. The six-week statutory challenge period concluded on 1st August 2024, during which no challenges were received. This marks the completion of the statutory authorisation process for the project.

Investment Breakdown 2024/25

Since the Deal was signed, both public and private sector investments have grown significantly. Partner contributions are now projected to exceed £46.8million, bringing the total value of the City-Region Deal to over £428.7 million.

This continued growth highlights the strong and ongoing commitment of all stakeholders to fostering economic development and driving innovation across the region.

Below is the latest summary of total contributions to the City-Region Deal.



Project	Total funding	UKG/SG funding	THC funding	Partners funding
Life Sciences Innovation Centre	£9,000,000	£9,000,000	nil	£3,775,000
Northern Innovation Hub <small>Includes European Funding.</small>	£12,860,971	£11,000,000	nil	£1,861,000
Corran Ferry Infrastructure Improvements Scheme	£30,000,000	£20,000,000	£10,000,000	nil
Longman Land Remediation	£10,000,000	£10,000,000	nil	nil
Science Skills Academy <small>THC figures include UK Shared Prosperity Fund.</small>	£3,951,800	£3,000,000	£545,000	£407,000
Innovative Assisted Living	£4,709,770	£4,171,000	£200,000	£339,000
Inverness Castle <small>THC includes Inverness Common Good funding; National Lottery Funding; City Centre WiFi project; and Deal Development Funding.</small>	£47,076,239	£26,936,000	£15,555,000	£4,585,000
Affordable Housing <small>Includes Prudential Borrowing (Housing).</small>	£134,010,000	£30,760,000	£103,145,000	£105,000
A9/A96 Inshes to Smithton <small>Up to £81m Scottish Government funding.</small>	£71,103,433	£71,103,433	nil	nil
A9/A82 Longman Junction <small>Up to £81m Scottish Government funding.</small>	£9,896,567	£9,896,567	nil	nil
Corran Ferry New Electric Vessel	£28,000,000	£28,000,000	nil	nil
West Link and Inshes	£64,356,000	nil	£64,356,000	nil

3

Geographical Overview Àrd-shealladh Cruinn-eòlasach

The Highland Council serves a third of the land area of Scotland, including the most remote and sparsely populated parts of the UK mainland, and has the 7th highest population of the 32 authorities in Scotland. The total land area, including all islands, at low water, is 26,484 square 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. Excluding islands it is 1,900 kilometres - 49% of the Scottish Mainland Scotland.

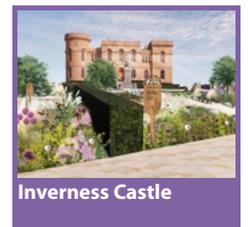
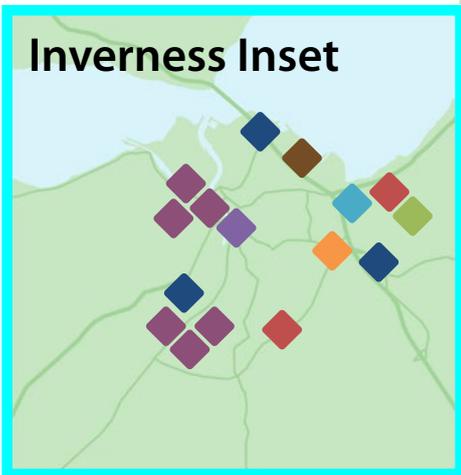
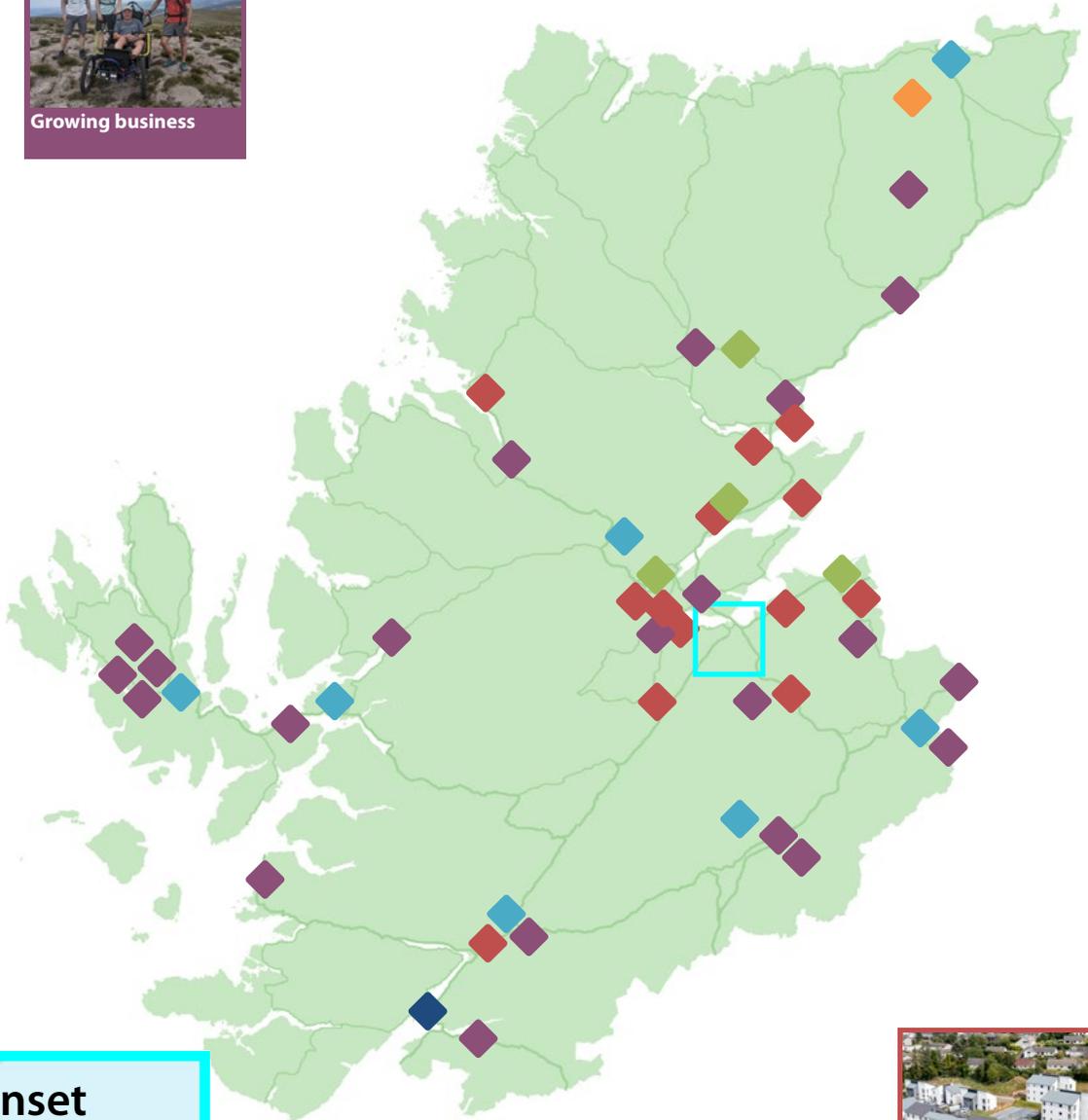
The Highlands have seen significant population growth over the last 30 years. The region has benefitted from the creation of the University of the Highlands and Islands, together with major investments in digital infrastructure and transport. However, the Highlands also face challenges, particularly 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



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Photos:
 FitHomes at Dingwall Castlepark by Albyn Housing Society Ltd
 SSA&Newton Room by Skye Commercial Photography
 WestLink by Scotavia
 Growing business by 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 The Highland Council
 Inverness Castle artist impression by Mather & Co

4

Financial Statement 2024/25 Aithris Ionmhasail 2024/25

In terms of spend against the original profile (September 2016), spend is behind what was suggested. A revised profile for the Deal was provided, based on a greater maturity of project development. This was predominantly for two reasons: this was an early date to set a profile and was agreed prior to all business cases being signed off; in addition to this, the original profile included significant figures for the Digital Project where, to date, no spend has been possible.

A Change Request was submitted and approved during 2023/24 to reallocate the £20 million Digital Project funding to support the Corran Ferry Infrastructure Project. This is matched by £10 million in funding from The Highland Council, as approved at Committee on 14th March 2024.

Three projects (Science Skills Academy, Innovative Assisted Living (FitHomes), 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 later with Governments' approval.

In November 2024, the Scottish Government approved a revision which involved replacing the commitment to the Longman Junction Improvement project with the provision of £28m funding for a new ferry vessel to serve the Corran Narrows crossing.

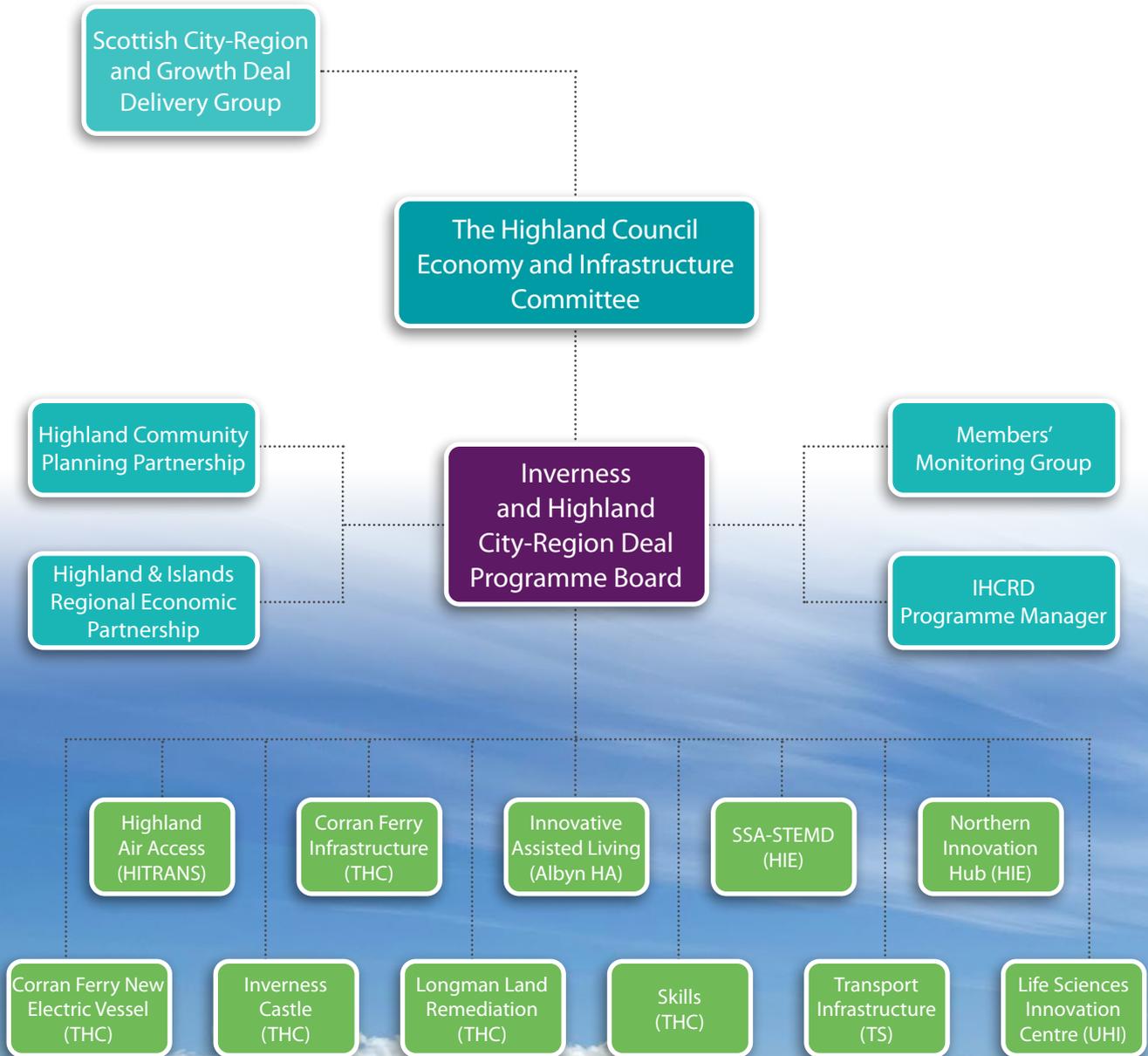
Work continues with Government colleagues to manage the flow of money to the projects and ensure financial planning is aided by effective and transparent information. Project Managers are responsible for managing and reporting on project budget, spend forecasting and quarterly reporting to Scottish and 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.

The table below provides a view of the spend for 2024/25 and cumulative claims since the start of the City-Region Deal.

Project	Spend in 2024/25	Spend to end 2024/25	Total Government Funding	CRD Spend as % of Funding
	£	£	£	%
Life Sciences Innovation Centre	£764,613	£8,645,626	£9,000,000	96.06%
Northern Innovation Hub	£1,481,635	£8,566,175	£11,000,000	77.87%
Corran Ferry Infrastructure Improvements Scheme	nil	nil	£28,000,000	0%
Longman Land Remediation	nil	£269,184	£10,000,000	2.69%
Science Skills Academy	nil	£2,962,221	£3,000,000	98.74%
Innovative Assisted Living (FitHomes)	nil	£3,000,000	£3,000,000	100%
Inverness Castle Spend includes City Centre WiFi project, Bridge Street, Viewing Tower and the Museum and Gallery.	nil	£18,099,998	£18,100,000	100%
Affordable Housing	£960,000	£4,392,160	£5,000,000	87.84%
A9/A96 Inshes to Smithton Scottish Government funded up to £81m.	£397,741	£8,046,394	£71,501,174	11.32%
Corran Ferry New Electric Vessel	nil	nil	£20,000,000	0%
A9/A82 Longman Junction Scottish Government funded up to £81m.	nil	£9,498,826	£9,498,826	n/a

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 Assistant Chief Executive for Place.

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 Assistant Chief Executive for Place 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 brings its own set of challenges, however, within these challenges lie powerful opportunities for innovation, collaboration, and growth. Whether through technological breakthroughs that reshape how we live and work, or new ways of connecting and co-creating, progress depends on our ability to adapt and think ahead.

By embracing change with a forward-thinking mindset and working together, we can not only overcome obstacles but also unlock the potential they hold for a brighter, more resilient future.

Life Sciences Innovation Centre

Look to continue to expand the pipeline of research and innovation projects. Host further Research and Innovation Showcase events on exploring opportunities in medical nanotechnology opportunities, and new collaborations.

Science Skills Academy

Due to ongoing financial pressures, SSA is seeking to transition the project to a new operator. The aim is to secure long-term financial sustainability, unlock opportunities for growth, and continue delivering high-quality, inspiring STEM experiences, while actively working to reduce barriers to access.

Innovative Assisted Living (FitHomes)

Complete the rollout of the 3rd-generation user interface and continue refining it with our technology partners. Expand deployment to more vulnerable clients through the pilot partnership while progressing the Knowledge Transfer Partnership to further develop the in-house sensor and hub.

Corran Ferry Infrastructure Improvements

The focus will be on progressing to the issue of construction tenders, securing

necessary statutory consents, and finalising the Full Business Case, positioning the project to commence on-site next year.

Inverness Castle

Next year will see construction and fit-out completed, the building and gardens handed over, and staff recruitment and training finalised ahead of the opening.

Affordable Housing

Continue our commitment to deliver high-quality, sustainable housing across the Highlands, and seek approval for three projects in Aviemore, Conon Bridge, and Inverness.

Northern Innovation Hub

As the final year of the project concludes, the focus will be on completing remaining live projects and preparing for individual internal project evaluations, alongside scoping a NIH-wide evaluation to capture overall impact of the programme.

Longman Land Remediation

After securing planning approval as part of the necessary statutory consents, the project will progress with the badger relocation works which are scheduled to start Autumn 2025. Works will also continue to progress towards tender issue.

Inshes Junction Improvement - Phase 2 (The Highland Council)

Continue to address planning permission concerns while advancing detailed design work and progressing negotiations for land acquisition.

A9/A96 Inshes to Smithton (Transport Scotland)

Continue work to determine the most suitable procurement option for delivering the scheme. This work is being taken forward alongside other works progressing in relation to the A96 Dualling Inverness to Nairn (including Nairn Bypass) scheme.

Corran Ferry New Electric Vessel

Progress the project by securing agreement from committee on the preferred procurement route from the identified options, and move forward into a formal partnership to strengthen and build upon existing collaborative working arrangements.

Highland Air Access

Preparations are underway to expand drone operations to Wick John O'Groats Airport and Ashaig Aerodrome in Skye next year.

Challenges and Opportunities Ahead

Effectively managing challenges means more than simply responding to obstacles, it requires agility, foresight, and a commitment to delivering results.

Each City-Region Deal project faces its own unique hurdles, from shifting priorities to evolving stakeholder needs. This year, the focus turns to the key priorities that will shape how projects respond to these complexities.

Yet, within every challenge lies the potential for opportunity. Whether through improved stakeholder engagement, cost savings, or stronger collaboration, unexpected benefits often emerge.

Across the Deal, there is a shared optimism and readiness to embrace both the difficulties and the possibilities that lie ahead, turning today’s challenges into tomorrow’s progress.

Project	Challenge	Opportunity
Life Sciences Innovation Centre	Challenge: Continue to explore models, operational procedures and funding opportunities to ensure stability and growth of the life sciences within the Highlands beyond the project’s lifetime.	Opportunity: New staff and projects are driving growth in research collaborations and enhanced support for companies in the medical nanotechnology sector, creating further opportunities with our industrial partner and beyond.
Science Skills Academy	Challenge: Staffing shortages, particularly in secondary schools, continue to limit participation in full-day Newton Room experiences due to challenges securing class cover, impacting overall engagement. To mitigate this, we’ve introduced outreach visits, though this shifts delivery away from our original in-room model. Where transport costs and availability remain barriers, we continue to offer financial support to help schools access Newton Room opportunities.	Opportunity: Deliver energy modules to P6–S2 learners and begin developing new green skills content for S1/S2, supporting the Green Skills Pathway.
Innovative Assisted Living (FitHomes)	Challenge: Reducing reliance on external providers by developing a custom FitHome hub in-house, updating the software, and working towards bringing full control of the hub into our own team, allowing better control over data.	Opportunity: Secure funding to expand technology installations and enhance learning outcomes.



Project	Challenge	Opportunity
Corran Ferry Infrastructure Improvements Scheme	Challenge: Effectively address feedback and considerations raised during the statutory consent process.	Opportunity: Adopt a collaborative approach with stakeholders during statutory consent processes to streamline approvals and build shared understanding.
Inverness Castle	Challenge: National labour shortages impact the project, contributing to delays in construction and potentially to recruitment for the Castle Experience ahead of opening.	Opportunity: Opportunity to build a skilled, motivated team to deliver a world-class visitor experience and position the Inverness Castle Experience as a gateway for promoting tourism across the Highlands.
Affordable Housing	Challenge: Reassessing programme delivery to align with the revised Government funding.	Opportunity: Work with partner housing providers able to support and deliver housing projects in areas of need.
Northern Innovation Hub	Challenge: Delivering full activity and spend is increasingly challenging due to its demand-led nature, tight timescales, and economic pressures such as rising costs. Recruitment and supply chain delays are also limiting small businesses' ability to invest in innovation, resulting in reduced demand and impacting overall project spend.	Opportunity: Food and Drink TechHUB and Digital Tourism offering appropriate support to key industries by promoting automation and digitisation. These approaches help small enterprises improve efficiency, boost productivity, and strengthen competitiveness during challenging economic conditions.
Longman Land Remediation	Challenge: Ensure statutory consent is approved in time to meet critical environmental requirements.	Opportunity: Following planning approval, issue tender documents promptly to enable early commencement of groundworks.
Inshes Junction Improvement – Phase 2 (THC)	Challenge: Successful completion of compulsory purchase orders is critical for the timing of the A9/ A96 East Link Project.	Opportunity: Continued collaboration with various infrastructure projects will be essential to align construction timetables.
A9/A96 Inshes to Smithton (Transport Scotland)	Challenge: Proposed 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.	Opportunity: Continue work to determine the most suitable procurement option for delivering the scheme and realising the scheme benefits when delivered.
Corran Ferry New Electric Vessel	Challenge: Embark on a rigorous and forward-looking Quantitative Cost Risk Analysis (QCRA) to uncover, quantify, and proactively manage financial uncertainties across the project lifecycle.	Opportunity: QCRA outcome enables informed decision-making and supports budget control throughout the project.



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 (LSIC) 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

Revised Government	£9,000,000
<hr/>	
Total	£9,000,000

Project Progress Update

Staffing developments have significantly strengthened delivery. Research capacity has grown with the two new Research Assistants appointed in late 2024, one in Medical Nanotechnology and one in One Health, enhancing research capacity across both areas. The Medical Nanotechnology RA has completed training on the newly commissioned PVD equipment, which is now fully installed and operational, enabling advanced research within the dedicated laboratory.

Over the past year, LSIC has hosted a variety of collaborative events, including a One Health exchange visit with Uppsala University, a lab tour for the Inverness Chamber of Commerce, and regular “Soup and a Soapbox” lunches. The team also actively participated in regional health innovation activities, such as the Health Innovation Junction exhibition in June 2024 and multiple SULSA (Scottish Universities Life Sciences Alliance) events across the North East.

Collaborative research development has continued to progress, particularly in One Health. Principal Investigators (PI) across health and life sciences have worked closely with internal teams, including Grants and Contracts, Economic Development and Advancement, and Knowledge Exchange groups to secure funding, foster industry partnerships, and expand consultancy opportunities. New partnership agreements signed in March 2025 are already supporting active research in medical nanotechnology.

Business development saw a transition in leadership, with the departure of the Business Development Manager in May 2024 and the appointment of a permanent Commercial Partnerships Manager in January 2025. Based within the university’s Economic Development and Advancement Directorate, the new role brings expertise in corporate fundraising and business support, ensuring continuity and sustainability beyond the project’s lifetime.

Challenges during the year included the closure of the Health Innovation Fund and concerns around financial sustainability post-City-Region Deal. In response, UHI’s share of the facility budget was transitioned to the Central Facilities Team, aligning with other UHI buildings and securing a more stable financial footing for long-term management.



Project outcome targets were exceeded in three out of four categories, reflecting strong performance across key areas. The acquisition and commissioning of advanced scientific equipment, particularly the operationalisation of the medical nanotechnology suite, has significantly boosted research capacity and enabled new collaborations with both industrial partners and academic institutions.

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 Life Sciences Alliance** - Membership organisation for Scottish universities, strategically supporting the development of One Health as a collaborative research theme.

Community Benefits and/or Net Zero

In February 2025, LSIC hosted a range of engagement activities that showcased the facility's growing impact. Thirty delegates from the Inverness Chamber of Commerce visited for a tour and discussion of the new facilities, highlighting LSIC's role in regional innovation. During the same month, a student from Inverness Royal Academy completed a work experience placement in the LSIC labs, reflecting the centre's commitment to inspiring the next generation of scientists.

Also in early 2025, LSIC welcomed a delegation from Uppsala University as part of a collaborative visit focused on pharmaceutical wastewater treatment research. This visit, part of UHI's expanding One Health initiative, is expected to lead to joint grant applications and academic publications.

Benefits

26 products and services

Target: 20

Target Date: 31st March 2025

Benefit: Digital health and applied life sciences products and services.

11 company or inward investment occurrences

Target: 10

Target Date: 31st March 2025

Benefit: New start companies, spinouts, or inward investment.

22 supported companies

Target: 15

Target Date: 31st March 2025

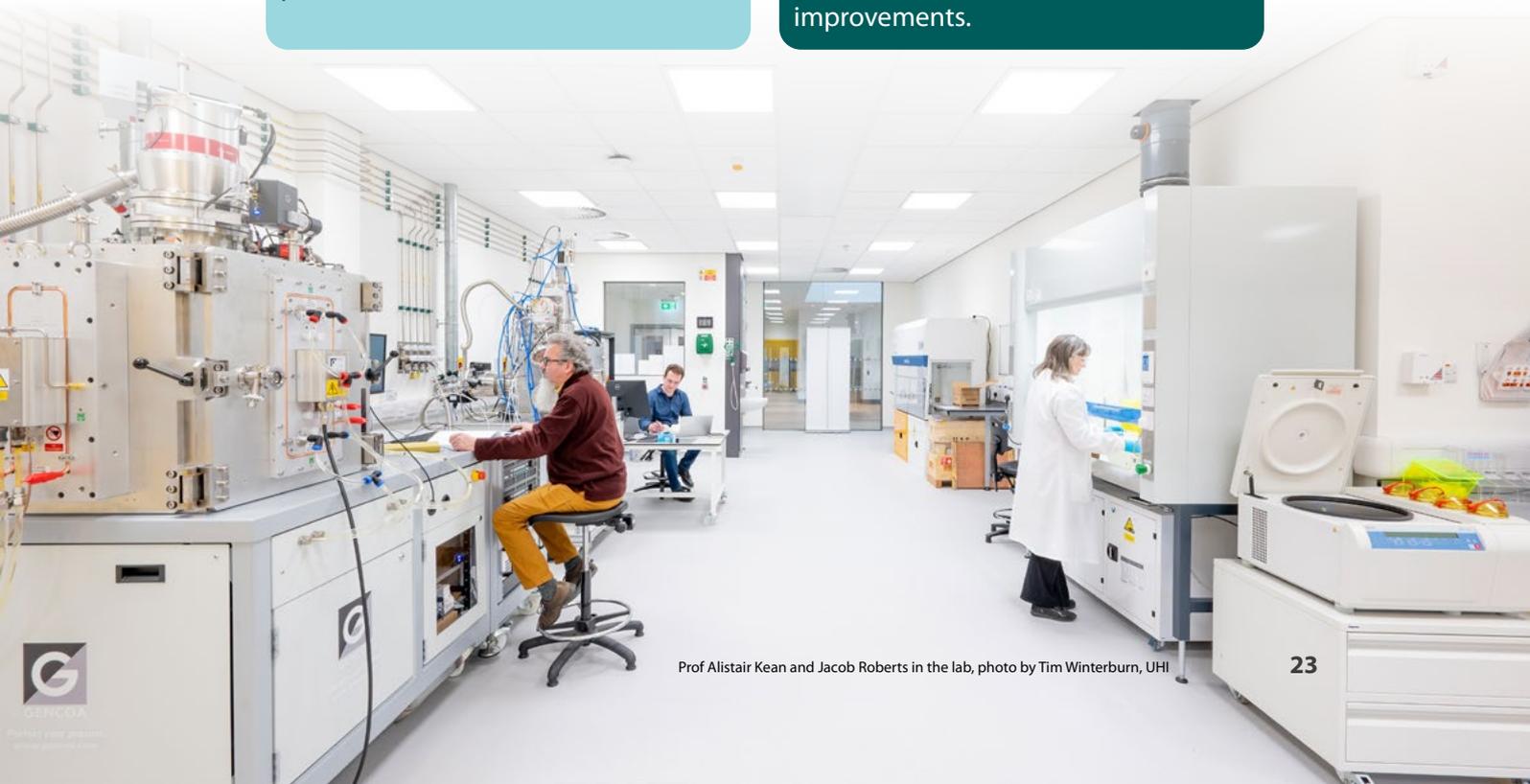
Benefit: Supported companies for product innovation.

21 service delivery improvement projects

Target: 25

Target Date: 31st March 2025

Benefit: Exportable healthcare improvements.



Prof Alistair Kean and Jacob Roberts in the lab, photo by Tim Winterburn, UHI

Case Studies

Transferring Life Sciences Skills for Innovation - Medical Nanotechnology Research

In November 2024, Jacob Roberts joined UHI as a Research Assistant in medical nanotechnology based at the Life Sciences Innovation Centre. Jacob has a background in genetics, with experience in immunology and human tissue culture.

In recent years, nanotechnology has impacted consumer markets such as electronics (QLED TVs), energy (fuel cells, batteries and supercapacitors), sensing, environmental, textiles, industrial processes, food and agriculture and last, but not least, the biomedical and healthcare sectors. Medical nanotechnology covers a very wide and ever-increasing area of research and development including drug delivery, imaging and sensing, photonics and antimicrobial/antiviral materials.

Working with Prof Alistair Kean, Jacob is transferring the skills and experience from his previous work and learning new techniques and competencies to help with collaborative research projects centering around the use of nanocoatings and nanoparticles for their catalytic, antimicrobial, and plasmonic properties.

Reflecting on his time at LSIC, Jacob said:

“The past six months have been a wonderful educational experience. I have been learning a great deal about the many varieties of physical vapour deposition, through demonstrations, reading and webinars. I also attended a training session with the Royce Institute at Imperial College London, where I had the opportunity to practice a range of valuable techniques for nanomaterials science, including ion milling, photolithography, and atomic force microscopy. It has been fascinating to study physical vapour deposition, and I am excited to use this learning to work on our new projects. Two of these projects are looking at the potential of antimicrobial and reinforced nanomaterials, with a focus on their utility in healthcare settings; and a third project involves optimising a nanoparticle-based plasmonic substrate for performing surface-enhanced Raman spectrometry - a highly sensitive molecular sensing technique.”



Science Skills Academy

Acadamaidh Sgilean Saidheans

Lead Organisation

Highlands and Islands Enterprise (HIE)

The Science Skills Academy (SSA) aims to inspire young people across the Highlands to explore STEM futures, placing them and their communities at the heart of a growing regional STEM economy.

SSA delivers free, engaging curriculum-linked STEM experiences through a network of five Newton Rooms (four permanent and one Pop-Up), helping to remove geographic and financial barriers to access.

These hands-on learning experiences focus on regionally significant sectors such as renewable energy and space, and are designed to raise awareness of local STEM career opportunities. Transport support is also available to ensure accessibility for all schools in The Highland Council area.



Original Project Funding

Government	£3,000,000
Council	£25,000
Other	£47,000
Total	£3,072,500

Project Progress Update

In 2024/25, SSA continued to deliver high-quality, equitable STEM education across 196 schools in The Highland Council area. Our network of Newton Rooms, including a Pop-Up Room helps remove geographic and financial barriers to access. Visits are free, and transport support is available. Our core education offer includes full-day, hands-on exciting STEM experiences across eight Newton Modules, covering topics such as Energy, Space, Health Science, and Aviation. Full-class participation ensures all pupils benefit from the experience.

This year, SSA delivered 10,046 engagements through schools, community events, and festivals throughout The Highland Council area. We also continued the OPITO-funded Powering the Future Learning Lab, engaging P6–S2 pupils and providing Career-Long Professional Learning (CLPL) for teachers. SSA partnered with the National Space Academy to offer Senior Phase pupils in the Highlands free access to Space Camp, funded by the UK Space Agency. Held from 7th–10th October 2024 to celebrate World Space Week, the camp hosted 30 pupils in collaboration with UHI Inverness and the Inverness Newton Room.

Staffing shortages, particularly in secondary schools have made it harder for schools to attend full-day sessions, leading to increased demand for outreach delivery. Transport costs and availability have also been cited as barriers. SSA continues to offer financial support where possible to help schools access provision. These challenges highlight the value SSA adds in supporting STEM education across the region.

Originally funded through the City Region Deal, SSA now operates on a 60% industry / 40% public funding model. Thanks to strong industry partnerships and the team’s continued efforts, funding is secured until July 2026. However, long-term sustainability remains a key challenge, with funding becoming increasingly competitive. Work is ongoing to identify a long-term operator and funding model to secure the project’s future.



Due to the success of the project, and as a result, this industry funding has supported the operation of the rooms in the Highland area and provided an opportunity to expand with a Pop-Up Newton Room on Shetland. Delivery for this will begin in April 2025. The project continues to support the employment of 11 people (8 FTE) including recruitment of a part-time STEM Engagement Officer for this new Room.

SSA continues to broaden its reach beyond schools, offering STEM activities during holidays and participating in events like the Caithness Science Festival and Belladrum Tartan Heart Festival. These efforts aim to build science capital by engaging families and key influencers in young people's lives.

Feedback Highlights

“

- The class loved the activities, how hands on/ interactive they were. Some students who struggle with more traditional-style classes benefitted from getting to experiment with the resources, loved doing so and got so much out of it.

[Primary Teacher]

- We had access to resources that we would never have had access to in school.

[Primary Teacher]

- I like what we worked on today because I've never had an experience or chance to learn most of this.

[S1 pupil]

- I found it fun and made me want to maybe take space and physics and makes me want to learn more about them.

[S1 Pupil]



Partners

- **Primary Engineer & Young Enterprise Scotland**
 - Green Skills pathway partners
- **Dounreay**
 - STEM Ambassador
- **The Highland Council**
 - Staffing
- **First Scandinavia**
 - Concept partner
- **Glasgow Science Centre**
 - Staffing
- **Collaboration**
 - Learning Lab (OPITO funded)
- **University of Edinburgh, The Roslin Institute**
 - Senior Phase PCR workshop delivery
- **Association of Science and Discovery Centres (ASDC)** - Financial - and Collaboration - Our World from Space
- **National Space Centre**
 - Collaboration - Space Camp
- **Rolls Royce**
 - STEM Ambassador
- **Skills Development Scotland (SDS)**
 - Collaboration
- **UHI**
 - Collaboration
- **Developing the Young Workforce (DYW)**
 - Collaboration

Inclusive Economic Growth

SSA modules align with regional growth sectors—including renewables, health science, aquaculture, and space—featuring real-world careers to inspire young people and raise awareness of opportunities in STEM industries. By engaging learners early, SSA aims to spark lasting excitement that continues through education into future career choices.

Learning is hands-on and enjoyable, building essential meta-skills like communication and problem-solving. With £100bn expected investment in green energy and space, SSA helps tackle low awareness and skills gaps by promoting STEM careers from an early age.





Community Benefits

Beyond core school provision, the Newton Rooms offer STEM activities for families and communities during holidays, aiming to build science capital and encourage everyday engagement with STEM in their day to day lives. These sessions are held in Newton Rooms or local venues.

SSA also engages with wider audiences through events like the Caithness Science Festival and Belladrum Tartan Heart Festival, achieving around 1500 engagements this year.

The Pop-Up Newton Room supports local economies by hiring community venues and using nearby accommodation and hospitality services.

SSA hosts specialist workshops for senior S5/6 pupils, including full-day PCR (Polymerase Chain Reaction) sessions delivered by the Roslin Institute and University of Edinburgh. These hands-on experiences reinforce curriculum learning and demonstrate real-world applications through use of their specialised equipment and take the pupils through the theory-based activities and completing their own PCR experiment. Offered to all secondary schools in a Newton Rooms catchment area, uptake has been strong, with some sessions oversubscribed.

Additional Investment

The Highland Council
(Shared Prosperity Fund)

£325,500

SSEN Renewables

£73,000

Foundation Scotland

£50,000

OPITO via Glasgow Science Centre

£27,000

Equinor

£75,000

Vattenfall

£12,500

Association of Science and Discovery
Centres (ASDC)

£4,000

Benefits

Newton Room Modules - Data since 2019.

Healthcare Science Module

4042 pupils

Energy Module

2572 pupils

Sustainable Biofuels Module

672 pupils

Salmon and Aquaculture Module

1989 pupils

Renewable Energy Module

4870 pupils

Robotics and Mathematics Module

9792 pupils

Mini Module: Land Yachts

1283 pupils

Up in the Air with Numbers Module

322 pupils

Space Module

3479 pupils

Step into STEM

882 pupils

Partner Delivery

543 pupils

CLPL

694 pupils

Taster Sessions

911 pupils

Early Years: Humpty Dumpty

151 pupils

Public & Family Engagement

3160 pupils

Learning Lab: Classroom Resources

5289 pupils

Case Studies

SSE Renewables Sustainable Communities Fund - Green Skills Pathway

Funding from the SSE Renewables Sustainable Communities Fund has enabled Young Enterprise Scotland (YES), Primary Engineer (PE), and Science Skills Academy (SSA) to form a strategic partnership to enhance STEM engagement across the Highland area.

Together, we've created the Green Skills Learning Pathway, offering sustained STEM engagement from early years through to senior phase. Each partner delivers tailored experiences at different stages ranging from full-day hands on energy workshops to multi-week engineering challenges and year-long enterprise projects, ensuring a comprehensive and progressive learning journey.

The partnership aims to:

- 1. Develop Green Sector Skills:** Equip young learners with key skills needed for careers in the green sector.
- 2. Raise Awareness:** Increase awareness among school students of green industries, pathways to engineering and environmental sustainability, helping them understand the importance of these sectors in the future economy.
- 3. Engage Young Learners:** Provide engaging, hands-on educational programmes that introduce students to STEM (science, technology, engineering, and mathematics) subjects and enterprise, with a focus on green careers and businesses.
- 4. Support Local Communities:** Enhance educational opportunities in the Highland region, aligning with local and national goals for green economy and enterprise growth, and workforce development.

As part of the Pathway, SSA provides both current energy modules (Energy and Renewable) spanning P6-S2 learning levels. SSA is also beginning development of an exciting new S1/2 green skills module. This will focus on practical activities and explore skills integral to careers in green sectors. This is due to be rolled out in the new academic year.

By creating consistent STEM engagement for students throughout their learning journey, we can empower them with the skills and knowledge to pursue careers in enterprise and the green sector and support them in considering their STEM future in Highland.

www.bit.ly/green-skills-pathway-highland



9

Innovative Assisted Living (FitHomes) Bith-beò le Taic Innleachdach (TaigheanFìot)

Lead Organisation

Albyn Housing Society Ltd

The Assisted Living FitHomes project aimed to develop 32 FitHomes designed to enable people to live independently in their own homes from cradle to grave, or until additional support was needed that couldn't be delivered in the home.

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
Total	£5,224,000

Project Progress Update

By the end of the project, Albyn Housing Society successfully delivered 32 purpose-built FitHomes across the Highlands in Nairn, Dingwall, Inverness, Lairg, and the original 16 units at Dalmore. Each home was equipped with smart technology designed to support independent living at home, and existing properties were retrofitted with the same system. A new FitHomes allocation process was developed, and the foundations were laid for a commercial product and social enterprise to support potential future expansion.

Following the initial build, the project progressed significantly in both scope and technological sophistication. A second-generation user interface was developed in close collaboration with carers and NHS staff, resulting in a more dynamic, accessible, and intuitive system tailored to their needs. This upgrade not only benefits clients and carers but also enhances the ability of research partners to interact with health data more effectively.

To date, around 600 sensors have been deployed across FitHomes properties, supporting daily operations and infrastructure monitoring. While most sensors have proven cost-effective and durable, some experienced shorter-than-expected battery life. In response, wired sensors were introduced to reduce maintenance requirements and travel-related emissions. A new sensor, currently in development through a Knowledge Transfer Partnership (KTP) with Robert Gordon University, aims to improve efficiency and data quality while reducing the number of sensors required per home. This partnership has also produced ten published research papers, reinforcing the project's academic and technical credibility.

The FitHomes project has supported 79 clients to date far exceeding initial expectations. The technology has helped individuals remain independent for longer, while providing carers with timely data to support proactive interventions.

To further expand support for vulnerable individuals including those leaving institutional care, prison, or the care system, and those affected by substance misuse a new pilot partnership has been launched. This

initiative will deliver ten additional retrofit units and is aligned with a PhD study at Edinburgh Napier University focused on vulnerable client support. The research will also provide valuable insights to guide future service development. Early results show improved outcomes for both clients and support services, strengthening the case for wider deployment.

Alongside academic collaboration, the project has worked in partnership with The Highland Council, Scottish Prison Service, Police Scotland, and Social Work to develop a pilot aimed at supporting homeless and at-risk individuals. This initiative not only extends the reach of FitHomes services and supports some of the most vulnerable individuals in our communities, but also strengthens the long-term sustainability of the model.

Technological development continues with the rollout of the third-generation FitHomes user interface, led by Waracle and funded by Highlands & Islands Enterprise. Designed with input from clients, carers, and support staff, the new interface is more accessible, intuitive, and dynamic. It improves data visibility for carers and medical professionals, and early feedback has been highly positive.

Efforts to reduce reliance on external suppliers have led to the development of a custom in-house FitHomes hub and sensor system. In parallel, collaboration with the University of Glasgow is progressing to integrate machine learning and predictive health modelling, enhancing care quality and operational efficiency.

Despite strong progress, securing sustainable funding remains a key challenge. The Assisted Living Project is delivered at no additional cost to tenants, and work is ongoing to mitigate financial risks through strategic partnerships and the development of a commercialised social enterprise. Engagements with prospective board members, legal advisors, and government representatives are helping shape a robust business strategy to support long-term viability.



Partners

Albyn Housing Society Ltd

Main partner and grant applicant. Lead on development including accessing loan function for build purposes. Lead on technology innovation and newco development.

Inclusive Economic Growth

The Assisted Living FitHomes project has delivered meaningful impact across a broader client base than originally anticipated, demonstrating its value as a scalable and inclusive model.

In the health and care sector, FitHomes continue to enable remote support for frail and elderly individuals, helping identify when in-person care is needed. This approach allows clients to remain active members of their communities while reducing pressure on health and care services. It also enables partners to engage with geographically dispersed clients without compromising care quality.

Significant progress has also been made in supporting individuals transitioning from institutional care. In collaboration with public sector partners, the project is expanding its initial pilot to assist care leavers, including those exiting prison or the care system. Supported by a PhD study at Edinburgh Napier University, this work helps vulnerable individuals maintain tenancies, establish healthy routines, and reintegrate into society using an affordable, tech-enabled system. This reduces the long-term public cost of institutional care and supports safer, healthier lives within local communities.

The development of the next-generation FitHomes interface is advancing well. Co-designed with input from health professionals, support staff, and informal carers, the new system is more interactive, user-friendly, and informative. It will enable carers to respond more accurately and efficiently to client needs, while NHS partners including GPs and Occupational Therapists, will benefit from improved data for timely interventions and better tracking of health anomalies.

These technological advancements are underpinned by active research partnerships with three universities and an ongoing Knowledge Transfer Partnership with UKRI/ Innovate UK, ensuring continued innovation and access to cutting-edge expertise.

The project also plays a key role in reducing spatial disparities in care across the Highlands and urban areas. By enabling remote support, it eases the burden on formal and informal carers, offering greater flexibility and allowing resources to be targeted where they are most needed. As the FitHomes model expands, it will continue to contribute to more equitable access to care and support across the region.

Community Benefits and Net Zero

The FitHomes project continues to support healthier, safer, and more independent living at home, particularly benefitting elderly and vulnerable individuals. It enables people to remain at home in their communities, where they contribute socially and economically, and helps prevent returns to institutional care. This is especially valuable in remote Highland areas, where retaining residents strengthens community resilience.

The upgraded user interface enhances accessibility, allowing informal carers, such as family and friends, to engage more actively with the needs of FitHomes clients.

Remote support also contributes to Net-Zero goals by reducing unnecessary travel to clients' homes. In collaboration with academic partners, the project has tested affordable environmental sensors that integrate with the FitHomes hub. These sensors provide data to improve energy efficiency, insulation, and heating, while also helping identify risks such as damp and mould, leading to healthier living conditions. The next-generation interface will further reduce maintenance visits by enabling better monitoring of sensor battery levels.

Additional Investment

Highlands and Island Enterprise

£50,000

User interface upgrade.

Innovate UK Knowledge Transfer Partnership

£189,000

KTP with Robert Gordon University to develop the technology.



Benefits

32 new build 'FitHomes'

100%

Sensors deployed

600 sensors

Enabled clients to remain in their homes for as long as possible.

79 people

2nd generation user interface

80% complete

To date, the FitHomes project has produced 10 research papers, including one in 2024 through a PhD/KTP collaboration with Robert Gordon University, funded by Innovate UK. A new PhD study, initiated in partnership with Edinburgh Napier University, is currently underway, focusing on supporting vulnerable FitHomes clients.

In parallel, development continues on the Predictive Health and Care Model in collaboration with the University of Glasgow. The FitHomes approach has also proven cost-effective in care delivery: only two tenants have required a move to care homes, demonstrating the model's success in helping clients remain at home and enabling limited care resources to be directed where they're most needed.



Housing First - A Model of Practice Case Study: 'FitHome' experience with a Housing First client

Client History:

This individual has faced significant adversity throughout their life, beginning with traumatic childhood experiences and entering the care system at age seven. Their journey into homelessness began in 2002 at just 16 years old. Over the years, they struggled to maintain tenancies, often relying on supported hostel placements due to challenging behaviour, rent arrears, and antisocial conduct. Frequent short-term prison sentences followed, largely linked to low-level but persistent offending.

During a recent custodial sentence, they agreed, initially with reluctance and suspicion, to participate in the FitHomes allocation process, a tech-enabled housing option. Reassurance around data privacy and control under GDPR helped ease concerns. Upon release, they moved into tech-enabled Temporary Furnished Accommodation provided by a Registered Social Landlord partner, and are now transitioning to a Short Secure Tenancy.

Since then, there have been no further prison sentences while police involvement has occurred, it has mostly resulted in advice or cautions. Notably, there has been a dramatic reduction in ICU admissions. With staff support, they've learned to manage interactions with police more constructively.

They've become a reliable tenant, maintaining excellent housekeeping. While substance use continues, they are actively engaging with treatment for poly-substance misuse through Medicated Assisted Treatment. Overall, they report a more positive outlook and have begun to reconnect with family, marking a significant step forward in their recovery and reintegration.

The Impact of Tech-Enabled Support on Client's Recovery

The outreach staff team supporting FitHomes clients across the Inner Moray Firth basin are able to make dynamic, informed decisions about when and how to visit, factoring in client activity levels, whether the individual is alone, and when joint visits may be necessary. This flexible approach maximises the effectiveness of a limited staffing resource.

The client has shown growing confidence in managing their front door, making more considered decisions about who to allow or deny access. The presence of a video doorbell appears to have deterred potentially exploitative influences, offering an added layer of safety.

In a critical incident, remote monitoring alerted staff to an extended period of inactivity. This prompted an urgent welfare check, involving emergency services and gaining access to the property, ultimately resulting in a lifesaving intervention.

Corran Ferry Infrastructure Improvements Scheme

Leasachaidhean Bun-structair Aiseag a' Chorrain

Lead Organisation

The Highland Council

The Corran Ferry Infrastructure Improvement Scheme is designed to enhance the ferry service connecting the Ardgour Peninsula with the wider Lochaber region.

The project includes the construction of new slipways, a breakwater, marshalling area and parking facilities to significantly upgrade landside infrastructure. These improvements will also support the future operation of a new electric vessel.

Original Project Funding

Government	£20,000,000
Council	£10,000,000
Total	£30,000,000

Project Progress Update

The Environmental Impact Assessment (EIA) Report for the Corran Ferry Infrastructure Improvement Scheme has been completed, representing a significant step forward in the project's development. Statutory consent applications, including both the planning application and the marine licence application for the proposed infrastructure works, were submitted in February 2025. This submission marked the beginning of the formal consultation process, which is a critical phase in ensuring the project meets all regulatory and environmental requirements.

The consultation process involves close engagement with statutory consultees such as SEPA and NatureScot. These organisations play a key role in reviewing the proposals and providing feedback to ensure that environmental impacts are properly assessed and mitigated. The process follows a defined timeline for responses, ensuring that all relevant considerations are addressed before any consents are granted. This collaborative approach helps to ensure that the project aligns with best practice and statutory obligations.

In parallel, the infrastructure design reached completion in spring 2025. The external consultant has finalised the detailed design drawings and contract documents, which are currently under review to ensure they meet all technical and regulatory standards. Preparations for contract documentation began as scheduled in autumn 2024 and are progressing well. The project team is on track to have all tender documentation ready for issue by summer 2025, supporting the planned procurement timeline.

Engagement with landowners has also advanced positively. Agreements have been reached on the areas required for land acquisition and temporary occupation during the construction phase. Arrangements for temporary occupation have now been settled, and the process of formalising agreements with landowners is underway. This proactive engagement helps to minimise risks and ensures that the project remains on track and to proceed smoothly into the procurement and construction phases once statutory consents are secured.



Inverness Castle Caisteal Inbhir Nis

Lead Organisation

High Life Highland

Inverness Castle is an iconic Category A listed building of national and international significance, located in the heart of Inverness. When the Scottish Courts and Tribunals Service relocated to the new Justice Centre in 2020, it created a unique opportunity to transform the Castle into a significant tourism asset, serving as a focal point for promoting tourism across the Highlands and attracting visitors to the region.

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
Total	£33,660,000

Project Progress Update

Inverness Castle, a listed building situated on Castle Hill above the River Ness, has continued to undergo significant transformation throughout 2024/25. The construction phase, which began in April 2022, has progressed steadily and remains on track for completion in autumn 2025. This work has laid the foundation for the creation of the Inverness Castle Experience, a major new visitor attraction for the region.

Design development for the Inverness Castle Experience advanced during the year. Detailed interpretation plans for all internal and external areas, including the building and gardens, have now been finalised.

The fit-out contractor began work off-site, constructing interpretation sets before moving into the Castle in early 2024. Since then, on-site fit-out activity has progressed well and is currently on track for completion by early November 2025. This contract has been running in parallel with the main construction works, with both programmes carefully aligned to support the overall project timeline. The main construction contractor has encountered some challenges over the course of the year, particularly in securing sufficient numbers of appropriately skilled subcontractors. Despite these pressures, the contractor has continued to make steady progress while maintaining the high standards specified for the project. As a result, the construction contract is now scheduled to conclude in mid-October 2025.

The iconic Rose Window, originally crafted in 1867 and once a prominent feature on Academy Street in Inverness, has been lovingly restored and now takes pride of place within the South Tower Story Room of Inverness Castle. Carefully reassembled within a bespoke steel framework,



the window will serve as a striking focal point in the space, where visitors will be immersed in the rich stories and heritage of the Highlands.

The restoration process began with the meticulous cataloguing and conservation of each individual piece of the window. Local stonemasons undertook the delicate task of cleaning and repairing the original stone frame fragments, ensuring that every element was ready to be returned to its rightful position. Once the stonework was in place, specialist glass conservators began the intricate process of reassembling the stained-glass panels on site.

Now suspended from the ceiling within a custom-designed steel frame, the restored window showcases the craftsmanship of its original creators while offering a breathtaking centrepiece for the Story Room. This careful restoration not only preserves a significant piece of Inverness's architectural heritage but also brings new life to a treasured landmark within the Castle.

Financial support towards the restoration of the Rose Window came from Inverness Common Good Fund, the Rotary Club of Inverness and other Rotary clubs across the Highlands.

Recruitment for the new Inverness Castle Experience team commenced in summer 2024, with the Head of Inverness Castle Experience taking up post in January 2025. Since then, further appointments have been made across the Senior Management Team and Central Support Services. A comprehensive recruitment schedule for the full operational team has been developed and is being implemented in line with the construction and fit-out timelines.

To support staff readiness, a detailed training programme has been devised covering all roles. This includes a blend of off-site and front-line training, carefully scheduled to coincide with the anticipated handover of the building and operational launch.

In preparation for the retail offer within the Castle Experience, a tender was issued to secure the services of a specialist retail buyer. Stephen Spencer & Associates were appointed to lead the selection and sourcing of stock lines that will form the retail experience. Additional tenders for essential support services, including EPOS and ticketing systems, catering, and security, have also been issued or secured to ensure operational readiness ahead of opening.

The Castle Experience has now announced its ticket pricing structure, which includes a 'Highland pass' for local residents. This pass offers unlimited visits from October to March. Residents can access the pass online using their Highlife card, with advance booking recommended to secure lower prices and guaranteed entry. This initiative is designed to encourage local engagement and support year-round tourism.

An exciting 3D scanning project, completed in October 2024, has digitally captured a selection of historical objects from museums across the Highlands. This innovative initiative will form a key part of the immersive storytelling experience at the Inverness Castle Experience, showcasing artefacts that reflect the region's rich and diverse cultural heritage.

The project was delivered in collaboration with a network of Highland museums, including:

- **West Highland Museum, Fort William**
- **Strathnaver Museum, Clachan, Bettyhill**
- **Glencoe Folk Museum, Glencoe**
- **Cromarty Courthouse Museum, Cromarty**
- **The Highlander's Museum, Fort George, Ardersier**
- **Grantown Museum**
- **Ullapool Museum**
- **Groam House Museum, Rosemarkie**
- **Highland Museum of Childhood, Strathpeffer**

A range of significant historical objects were selected for scanning, including a powder horn used for blasting powder, the Ballachulish Goddess, and a Mesolithic harpoon. These and many other artefacts will be featured in the People Room within the South Tower of Inverness Castle. There, they will act as digital signposts, encouraging visitors to explore the original items in their home museums across the Highlands. The 3D scans will offer a detailed and engaging view of each object, preserving their authenticity while making them accessible to a wider audience.

This project aligns with the aims of the Inverness Castle Experience: to serve as a gateway to the wider Highlands, promoting exploration and discovery rather than replicating the excellent work already being done by local institutions. Museums and Heritage Highlands (MHH), a key partner in the planning and delivery of the project, has played a pivotal role in its success. MHH's digital learning hub will also host the 3D objects, allowing schools and families to interact with the collections in new and engaging ways.

Partners

The Highland Council – Project Owners and Funders

Scottish Government – Project Funder

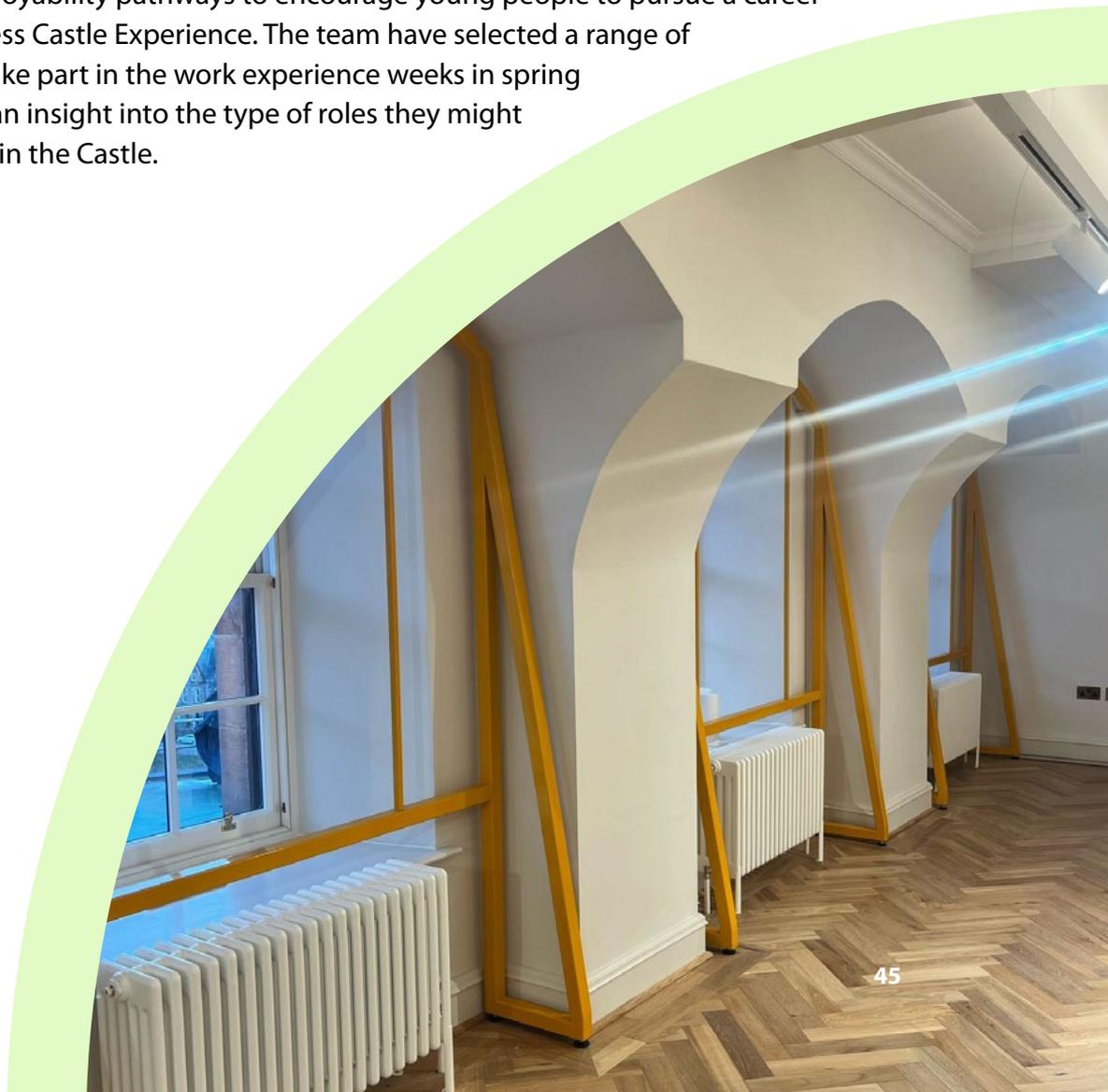
UK Government – Project Funder

Highlands and Islands Enterprise – Project Funder

Community Benefits and/or Net Zero

The main contractor, Bancon Construction, is a Scottish company based in the Northeast. It operates as a management contractor engaging subcontractors from the local workforce. During the contract to-date over two thirds of the subcontractors involved in the transformation of Inverness Castle have been based locally within the Highlands with the remaining, who require specialist skills, within reach of the area.

The project team continued to liaise with representatives who have roles within developing the young workforce. Partners from DYW and UHI have helped to develop employability pathways to encourage young people to pursue a career in the Inverness Castle Experience. The team have selected a range of students to take part in the work experience weeks in spring 2025 to give an insight into the type of roles they might consider within the Castle.



Additional Investment

Various Commercial Sponsorship

£210,000

To fund Capital design developments.

Highlands & Islands Enterprise

£863,000

Unforeseen capital costs.



Four private sector sponsors were secured. Each sponsor has supported capital improvements to the Castle infrastructure including the restoration of the Rose Window, the creation of the 'Journey Stone' at the entrance to the Castle, the design and interpretation of the Ceilidh Rooms which host the Runrig Exhibition, along with the provision of horticultural planters on the new roof terrace.

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

As part of the development of content for The Inverness Castle Experience, the Project Team have formed partnerships with local designers and businesses to enhance the content within the interpretation and to develop bespoke product lines for the retail experience. Two such examples include work with Sandra Murray and with Clare Campbell – each bringing their own unique perspective to how tartan is represented within the Experience.

Clare Campbell and Prickly Thistle

Clare Campbell created Prickly Thistle when she discovered her passion for reclaiming tartan to the Highlands of Scotland and helping to replace fast fashion with natural fibres.

Clare has a Highland Mill that she started eight years ago and creates beautiful bespoke tartans using only sustainable natural fibres with little to no wastage on looms that are nearly 100 years old.

‘Working on this project is an absolute highlight of our story – mirroring the past when hyper local meant everything to communities, solidifying the true spirit of the Highlands’

Clare’s ethos fits the Inverness Castle Experience therefore the team approached Clare to ask her to create a tartan for the Experience. Clare accepted the challenge and created a bespoke tartan based on various dates such as the first recorded date of a castle on site 1057, the year the castle will open 2025 and the numbers of the geographic position. The numbers determine different thread counts and colours including the beige for the sand, blue for the sea level and the red/brown of the castle walls.

The retail offering within the Castle will showcase the very best of Highland craftsmanship, including a range of bespoke throws, wraps, cushions, tops and scarves. The specially designed tartan will also feature proudly in the official Inverness Castle Experience staff uniform.



Sandra Murray

Sandra Murray is a renowned artist-couturier of Bespoke, whose unique creations marry exceptional raw materials – such as Harris Tweed and Scottish Heritage tartans – with the unexpected refinement of French lace and Italian silks. Inspiration and creativity give her designs an unmistakable spirit of place.

As part of the Tartan Room within the Castle, the Project Team wanted to showcase a contemporary design with a Highland connection.

Sandra's frockcoat drew on a personal cultural memory, inspired by a childhood photo she took of her two herring girl grand aunts and their cat, in front of their black house in Ness, Lewis. Years later, it inspired her to buy a painting by Scottish Artist John Bellany, of two women and a cat. This outfit is a direct tribute to John and his Golspie born wife Helen.

The dress lace yoke is inspired by the Rose Window, and the embellishments inspired by the Bellany painting. It's called Co mi? Seo mi. Translates 'Who am I? Here I am.'



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
Total	£35,000,000

Project Progress Update

During 2024/25, a total of 70 new homes were successfully completed across several key need locations, including Fort William, Kingussie, Dornoch, and Inverness. These completions mark a continued commitment to addressing housing needs across the Highland area.

In addition to these completions, construction has commenced on new developments that will collectively deliver 137 additional homes. These projects are spread across multiple sites, notably including Conon Braes, Tornagrain, and Inverness Stratton Phase 2. These developments are expected to significantly contribute to the region's housing stock in the coming years.

To date, a cumulative total of 491 homes have been completed under the Deal housing programme. Furthermore, 154 homes are currently under construction, displaying ongoing efforts to meet housing demand.

An important demographic insight reveals that approximately 51% of first tenants in these new homes are young people. This figure represents a slight decrease compared to the previous year, which is attributed to a rise in shared tenancies and the demand-driven nature of the housing market. These trends highlight the evolving dynamics of housing needs and preferences among younger residents.

The 2024/25 Highland Strategic Housing Investment Plan was formally approved in November 2024. This plan outlines the region's priorities for affordable housing development over the coming year, aligning with both local housing needs and national policy objectives.

In Inverness, where the availability of suitable and deliverable development sites remains a significant challenge, we have nonetheless made substantial progress. Through strategic planning and collaboration with key stakeholders, we successfully secured a site that will deliver 57 new affordable housing units, which are currently under construction. This achievement represents a step forward in addressing housing demand in the area, particularly given the competitive and constrained land market in Inverness. The delivery of these units will contribute to the broader goals of increasing housing supply, supporting community sustainability, and improving access to quality homes for individuals and families in need.

A persistent challenge in meeting housing demand is the lack of economically deliverable sites within areas where homes are most needed. This issue is particularly acute in rural and semi-rural communities, where land availability, infrastructure constraints, and development costs often hinder progress. To address this, we have been actively collaborating with partner housing providers who have the capacity and commitment to deliver housing projects in high-need areas. These partnerships are essential in unlocking opportunities that might otherwise remain unviable.

A recent example of this collaborative approach is the tenure change of four housing units in Drumnadrochit, originally being developed by the Highland Housing Alliance. Through constructive dialogue and shared objectives, we successfully transitioned these units to Mid-Market Rent (MMR) homes. These are now fully occupied, providing affordable housing options to local residents and contributing to the sustainability of the community.

Despite this success, the underlying challenge remains ongoing. The process of identifying suitable sites, securing funding, and aligning with planning frameworks continues to require coordinated effort and strategic planning. We remain committed to working with stakeholders to overcome these barriers and ensure that housing delivery aligns with local needs.

Infrastructure Loan Funds are only used on projects where there are additional costs arising from abnormal infrastructure requirements. This criterion did not apply to any City-Region Deal projects during the last financial year. Any requirement for the Infrastructure Loan Fund is agreed in advance with the Scottish Government.

Throughout the year, we undertook a detailed review of our data and made necessary adjustments to the completed unit figures. This included accounting for changes in tenure, Open Market Shared Equity (OMSE) buy-backs, and off-the-shelf acquisitions. During this process, we identified that the actual number of units delivered was higher than previously reported. The increase was primarily due to the inclusion of additional units that had not been fully captured in earlier reporting. As a result, we revised our figures to reflect the true scale of delivery activity more accurately over the Deal period.



Partners

The Highland Council acts as Project Manager and provides funding support through both grant and loan assistance to enable the delivery of housing projects. The More Homes Scotland Division of the Scottish Government also provide grant funding to support affordable housing, including developments that deliver MMR homes. Delivery partners Highland Housing Alliance, Albyn Housing Society Limited, and Places for People, all develop and manage housing for MMR, contributing significantly to the Deal's MMR housing supply in the region.

Inclusive Economic Growth

This project seeks to close the affordability gap in access to high-quality housing, particularly for younger individuals who are essential to the Highland area's future prosperity. By enabling these individuals to secure stable and affordable homes, the initiative supports the development of a skilled and economically active population. This, in turn, fosters long-term economic growth by attracting and retaining talent, encouraging entrepreneurship, and strengthening the local workforce. As these individuals build their careers and increase their earning potential, they contribute more significantly to the regional economy - stimulating demand, supporting local businesses, and enhancing the overall economic resilience of the Highlands.

Additional Investment

More Homes division of Scottish Government

£84,000

Private finance

£105,000

Benefits

2024/25

62 units
started on-site

70 units
completed

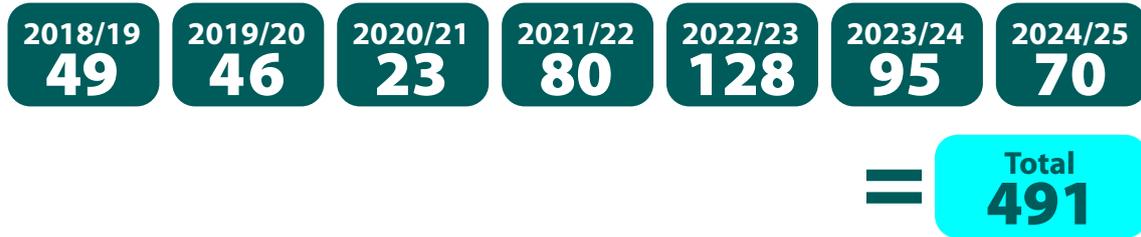
51% CRD-funded properties
rented to young tenants

165 units
funded to-date

154 units under
construction (on-site)

7 units acquired via OTS/
Tenure Change/OMSE Buyback

No. of CRD-funded units completed



Case Studies

We have continued to benefit from windfall opportunities presented by developers, which have significantly enhanced our housing portfolio. Most recently, we acquired ownership of 41 residential units in Aviemore. This strategic acquisition not only strengthens our presence in the region but also supports our ongoing commitment to addressing critical housing needs. These properties are currently being utilised to prioritise accommodation for NHS key workers, ensuring that essential healthcare staff have access to secure, high-quality housing close to their place of work. This initiative reflects our broader goal of supporting frontline services and fostering resilient communities through targeted housing solutions.

Windfall Opportunity:

Typically, 25% are designated as affordable. This ensures that communities remain inclusive, and that housing is accessible to people across a range of income levels. However, there are occasions when developers go beyond this baseline. When this happens, and a developer voluntarily offers affordable housing units, it's considered a windfall. This bonus that can significantly benefit the local area. More families can access secure, affordable homes, and the development itself aligning more closely with community needs and social priorities.

These windfall opportunities can be transformative. They can help local authorities meet housing targets more quickly, reduce waiting lists, and foster more balanced, mixed-income neighbourhoods. While this may not happen often, when it does, it demonstrates that the objectives of private developers and the public interest can align in positive ways.



13

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 projects designed to benefit small and emerging enterprises.

The project provides a range of opportunities for enterprises in the region, including graduate and student placement projects, 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.

As the projects have progressed, a number of changes have been made which respond to the changing needs of small to medium enterprises (SMEs) in The Highland Council area, whilst continuing to deliver outcomes.



Original Project Funding

Government	£11,000,000
Other	£1,705,886
Total	£12,705,886

Project Progress Update

The projects within the Northern Innovation Hub (NIH) progressed well throughout 2024/25, with many activities successfully delivered. This included three IMPACT30 cohorts, ten Food and Drink TechHUB events, and the final year of XpoNorth Digital, which provided a range of events and specialist advisory support to 28 beneficiaries.

Across the NIH, 239 enterprises received moderate, considerable, or intensive support over the year. The total number of unique enterprises supported was 216, with 23 businesses benefitting from more than one strand of activity.

In April 2024, the City-Region Deal Programme Board approved a change request following the decision not to proceed with the Food and Drink Technology Centre. This adjustment included:

- A revised delivery model for Food and Drink projects, encompassing knowledge exchange, Net Zero support, specialist advice, capital and training grants.
- A six-month extension to the Creative Industries project.

Several new activities were introduced during the year to expand the scope and impact of the Northern Innovation Hub. A dedicated programme was launched to support Food and Drink manufacturers in adopting innovative technologies, helping businesses enhance productivity and competitiveness.

In parallel, a new initiative was developed to assist Tourism SMEs with digital adoption, enabling them to integrate advanced tools and platforms into their operations. The Life Sciences sector also saw targeted support through a showcase event that provided media training and facilitated the creation of promotional films. Additionally, a learning journey is being organised to enable SMEs to attend Iceland Innovation Week in May 2025.

Pathfinder Accelerator hosted a successful alumni event in April, celebrating the achievements of 139 life sciences and tech-focused enterprises. The event featured a Dragons' Den-style pitching session and a fireside chat exploring regional business opportunities and challenges in the area.

The 15th and final IMPACT30 cohort launched in February, welcoming 25 new businesses. This is open to young entrepreneurs aged 35 and under, in a leading role in a business trading for less than five years. Several well-attended networking and finale events brought together current and past participants.

This year our Technology Placement Programme supported 25 enterprises employing 22 graduates and 3 students. Five graduate placements led to permanent roles this year, contributing to an overall 33% to date for graduate placements.

Food and Drink TechHUB activity continued to deliver targeted support throughout the year. Sixteen businesses received tailored 1-2-1 guidance, while six benefitted from specialist technology advice designed to help them adopt innovative solutions and improve operational efficiency. In addition, ten events were held, offering practical and engaging content such as photography sessions, sustainability workshops, and webinars. Topics covered included "Get Retail Ready"; "AI on the Menu"; and "Digitalisation and Technology Advice," reflecting the programme's commitment to equipping businesses with relevant skills and insights in a rapidly evolving sector.

During Highland Business Week, a networking event was held with a focus on food science and product development. TechHUB also supported three common interest groups: Waste Management (in-vessel composting), Bakery Group and the Highland Brewers Community Interest Group, comprising 15 businesses exploring collaborative Highland Brewing brand and marketing strategies such as Highland Brewery Tourist Map.

In September, Phase 2 of the Food and Drink TechHUB was formally launched in Inverness. This phase offers extended virtual support focused on technology, productivity, and Net Zero. A high number of enquiries have been received, with six specialist advice projects started and four businesses have been approved for Net Zero mobilisation support.

TechHUB also sponsored the new Innovation category at the Highlands and Islands Food and Drink Awards in November. Two TechHUB supported businesses shared their experiences from the International Food and Drink Event in London via the project's Business Bytes podcast series.

Launched in October, the Digital Tourism project supports Tourism SMEs in adopting advanced digital tools. Six specialist advice projects have been approved, alongside a parallel capital grants programme to assist with implementation costs.

The XpoNorth Digital project was extended by six months and completed at the end of January 2025. In total, 1106 beneficiaries have been supported through workshops, webinars, 1-2-1 specialist advice and events. Video case studies have been made available via the XpoNorth YouTube Channel showcasing the impact and stories of participating businesses, this is alongside OnDemand catchups for the workshops hosted earlier in the year. A series of 'fast facts' from the project have also been shared across social media platforms to highlight key insights and achievements.

Partners

The NIH External Project Board comprises representatives from the Federation of Small Businesses; Prosper (formally 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

All NIH projects are open to eligible small and medium-sized enterprises (SMEs) across The Highland Council area. The Technology Placement Programme is available to businesses and social enterprises of any size, offering funding to support the employment of a graduate or student to deliver a process improvement or product development project. This not only drives innovation but also creates opportunities for young people to live and work in the region.

Most support is provided at no cost to participants, with the exception of Technology Placements and TechHUB Net Zero Mobilisation, which require a financial contribution from participating enterprises. While beneficiaries are primarily SMEs, some larger organisations have also engaged with the Technology Placement Programme.

NIH projects are accessible across the region, with most activity delivered online to ensure inclusivity for businesses in remote areas. Where in-person events are held, travel support is offered where possible to encourage participation.

As a result of NIH activity in 2024/25, an estimated 28 new start-ups have been created or supported, 74 new products or processes developed, and 109 SMEs supported to innovate.

Community Benefits and/or Net Zero

The Food and Drink TechHUB includes a Net Zero Mobilisation programme, offering training and support to help businesses baseline their carbon emissions and develop Net Zero Plans. A diverse group of participants is engaged in this initiative, including two distilleries, a microbrewery, an ice cream manufacturer, a game producer, and a bakery — all working towards their broader sustainability goals.

Several enterprises have also developed carbon-efficient products or processes. For example, The Torridon luxury hotel, supported through the Technology Placement Programme, employed a Sustainability Development Graduate to enhance its digital sustainability tracking systems, with the aim of achieving silver EarthCheck accreditation. Similarly, KP Technology in Wick created a graduate placement

to research and develop a new scanning photoemission spectroscopy product, enabling detailed imaging of micro and nanostructures in renewable energy applications.

Most NIH projects are delivered through a hybrid model, with the majority of activity taking place online. This approach reduces travel time and enhances accessibility for businesses across the region, particularly those in remote areas.

NIH supported a number of key events this year, including sponsorship of the UHI Business Competition, where three former IMPACT30 participants — Highland Domes, Cinnamon Smiles, and Candles from the Croft — were finalists, with two winning in their categories. NIH also sponsored the Young Businesswoman of the Year award at the Highland Business Women Awards, which was won by IMPACT30 alumna Sandie Gordon of Candles from the Croft, based in Sutherland.

In line with procurement requirements, third-party suppliers delivering contracts above a certain value are expected to provide community benefits. This year, these included engaging six Highland-based expert speakers for IMPACT30 sessions, using local small businesses for venue hire and catering, and contributing to the UHI Business Competition judging panel. For the Pathfinder Accelerator, 15 local experts were involved in shaping programme content, and the supplier contributed a £1,000 cash prize for the Dragons' Den winner.

Additional Investment

Total business contribution for Technology placement programme approvals in 2024/25

£152,810

Benefits

Number of enterprises supported in 2024/25



IMPACT30 Young Entrepreneurs programme

Caithness and Sutherland: 9

Lochaber, Skye and Wester Ross: 22

Inner Moray Firth: 36

Total: 67

Technology Placements programme

Caithness and Sutherland: 1

Lochaber, Skye and Wester Ross: 3

Inner Moray Firth: 21

Total: 25

Benefits

Support to develop products, services or processes

2097 of enterprises supported up to 1 day

Target: 2000 Target Date: March 2027

620 enterprises supported 1-5 days

Target: 326 Target Date: March 2027

625 enterprises supported over 5+ days

Target: 625 Target Date: March 2027

59 enterprises cooperating with research institutions

Target: 40 Target Date: March 2027

530 organisations supported to enhance digital capacity and utilisation

Target Date: March 2027

530 new products/ processes created

Target Date: March 2027

204 new businesses created or supported

Reduced from last year's report due to a change in calculation methodology (i.e. pre-start enterprises are now discounted).

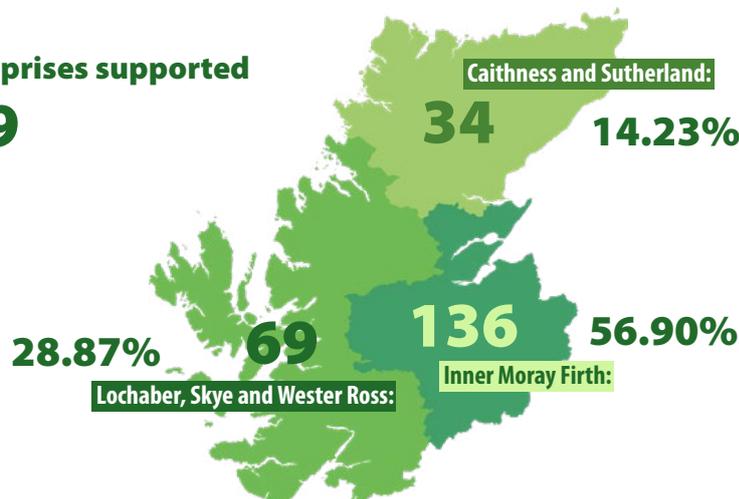
Target Date: March 2027

659 enterprises supported to innovate

Target: 640 Target Date: March 2027

Total enterprises supported

Total: 239





Case Studies

Food and Drink TechHUB – Eco Cascade

In 2023, Eco Cascade began establishing a new facility in Kyle to provide contract processing and packaging services for seaweed growers and wild harvesters. Designed to handle up to 1,000kg of seaweed per day, the facility would carry out key processing steps such as de-fouling, washing, grading, macerating, and drying. To ensure the site met food safety compliance standards and was operational in time for the harvest season, the business sought targeted support.

With tight timelines and the facility nearing completion, Eco Cascade approached the Food and Drink TechHUB for assistance. At the outset, the business was navigating common challenges faced by new facilities: clarifying operational goals, understanding food safety requirements, selecting appropriate equipment, and preparing for inspection by Environmental Health Officers (EHOs).

TechHUB provided tailored 1-to-1 support, including two on-site visits to assess the facility and advise on practical steps toward food-safe operations. This included detailed guidance on compliance essentials such as HACCP, hygiene design, and site layout. The team also helped Eco Cascade refine its product and process goals – covering aspects like drying standards, storage needs, and workflow optimisation.

Technical input addressed key considerations such as moisture levels, drying temperatures, equipment specifications, and segregation requirements for allergens and different product types. Bespoke reports were provided with recommendations for design improvements, operational efficiency, and regulatory compliance.

As a result of this support, Eco Cascade was able to clearly define the facility's purpose, make informed decisions on layout and equipment, and gain confidence in meeting food safety standards. With a clear roadmap in place, the business was well-positioned to support seaweed growers for the 2023 harvest and beyond – laying the foundation for a scalable, food-safe operation.

IMPACT30 – Skye Mountaineering

In autumn 2021, Nathan Jones fulfilled a childhood dream by launching Skye Mountaineering on the Isle of Skye, stepping into being his own boss full-time. When he joined the IMPACT30 programme, Nate had already laid solid foundations for his business, however, was seeking support to shape its strategic direction. His goal was to grow sustainably while staying true to his mission and values.



Over the 12 months while in the programme, Nate navigated a challenging season marked by unprecedented, strange weather and frequent last-minute changes. He found the one-to-one sessions particularly valuable, having someone to chat through ideas and gaining fresh insights helped him step back and work on the business rather than just in it. The space to reflect and explore different perspectives proved highly beneficial.

Peer-to-peer support was another highlight. Nate and his fellow participants shared experiences, discussed common challenges, and brainstormed solutions together. These discussions offered not only practical advice but useful insights along with a sense of community and encouragement from people who truly understood the journey.

Reflecting on his IMPACT30 experience, Nate said:

“12 months ago I did not feel in control of my business. 12 months later, everything has changed, and I feel empowered.”

Life Sciences projects

The Pathfinder Accelerator programme recently hosted a successful Alumni event, celebrating the achievements and progress of participating life sciences businesses. As part of this, a short film was produced featuring interviews and testimonials, highlighting the programme’s impact on their ventures. Participants shared insights into how the support they received helped shape their growth, innovation, and strategic direction.

Pathfinder Accelerator - Final Fling video on Vimeo:

<https://vimeo.com/935890752>

(Password: FinalFling)

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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

During 2024/25, the project team made strong progress in advancing the Longman site, part of the Inverness and Cromarty Firth Green Freeport towards development. A key milestone was reached through constructive engagement with NatureScot, resulting in the badger mitigation plans being accepted in principle, a critical step that allows the project to proceed, subject to planning approval.

In the later part of the year, the planning application was formally submitted, with a decision expected by summer 2025. This marks a significant step forward in the delivery timeline. In preparation for the next phase, initial site works have commenced to ensure readiness for enabling infrastructure once planning consent is secured. These early works are essential to maintaining momentum and ensuring the site is development-ready as soon as possible.

In parallel, the team has progressed a seed capital funding application through the Inverness and Cromarty Firth Green Freeport. This funding would support the implementation of the agreed badger mitigation measures and further site preparation. A decision is anticipated during 2025/26, and securing this funding will be instrumental in unlocking early-stage works and supporting the wider development programme.

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.



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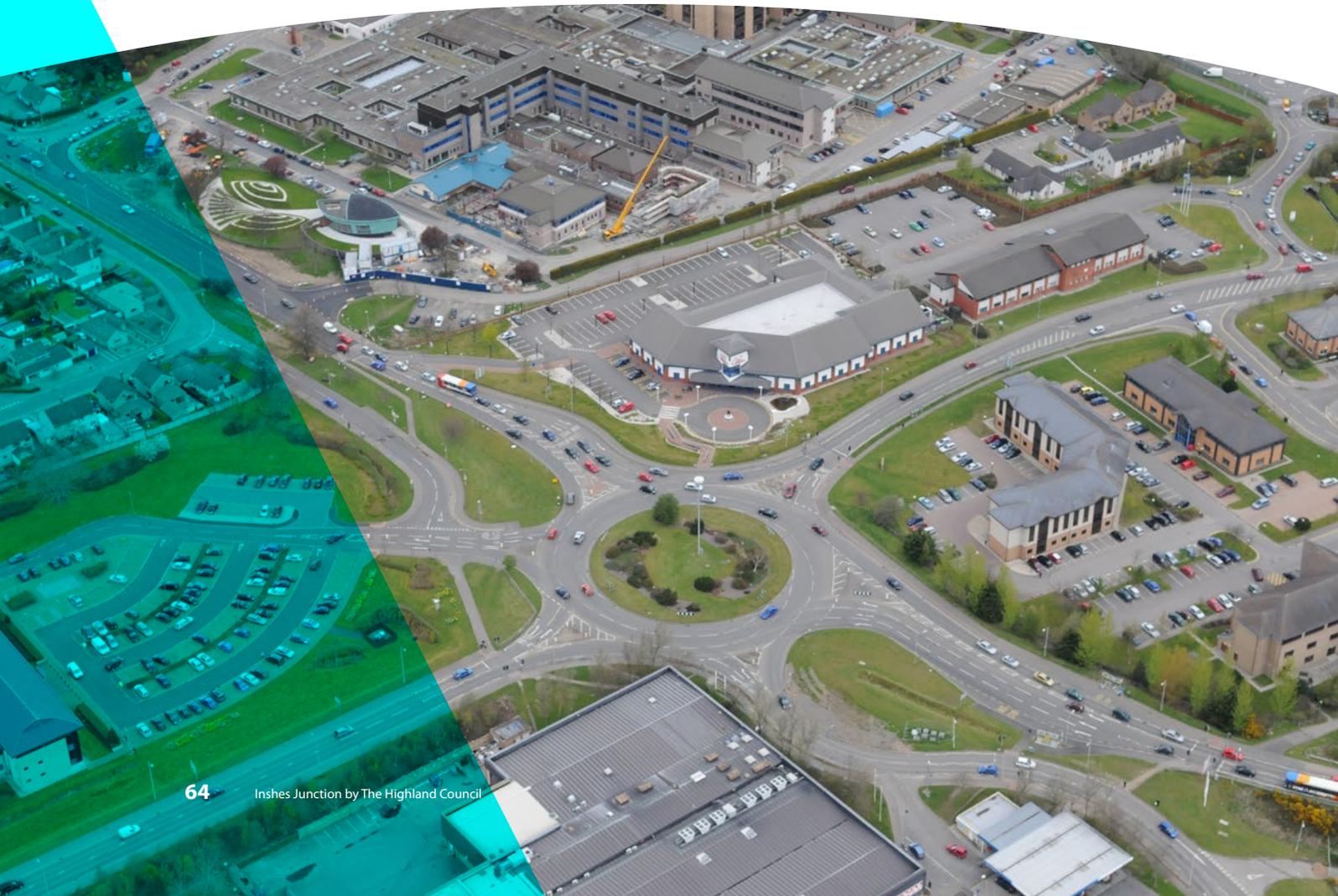
Inshes Junction Improvement Phase 2 (The Highland Council)

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	£9,900,000
Total	£9,900,000

Project Progress Update

The design of the Junction Improvement Scheme has progressed and has now been submitted for planning permission to enable the transition to the construction phase.

Key technical activities have included the development of a detailed 3D model, utility and drainage design, a comprehensive flood risk assessment, and ecological surveys with associated reporting. These were supported by further public consultation as part of the planning application process.

While the 3D and signalisation designs are now complete, work is ongoing to finalise the utility and drainage elements. Planning consent and the resolution of outstanding flood risk issues remain critical next steps before construction can commence.

The scheme is situated in an area already identified as being at risk of flooding. While the initial aim was to enhance local flood resilience, current assessments indicate that the scheme's impact on flood risk is likely to be neutral or slightly adverse. However, the project is expected to deliver significant benefits by reducing daily traffic congestion, which may outweigh the potential negative implications for flood risk. These considerations will be carefully weighed during the planning determination process.

Progress is currently constrained by several dependencies. Access to land depends on the successful completion of compulsory purchase orders, which also affects the timing of the A9/A96 East Link Project. Securing planning permission will be a key milestone, enabling the project to advance. Ongoing collaboration and coordination with related infrastructure projects - the A9/A96 Inshes to Smithton section, and the dualling of the A96 Inverness to Nairn - will be essential to align construction timetables and manage complexity. Proactive management of these dependencies will help mitigate delays and support the overall success of the project.

Partners

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

Community Benefits and/or Net Zero

As part of the construction phase, the project will embed community benefit commitments to ensure meaningful local impact. The appointed contractor will be required to provide employment opportunities for engineering trainees, offering hands-on experience and skills development throughout the duration of the works.

In addition, the project will actively engage with local schools and the University of the Highlands and Islands (UHI) through a programme of educational initiatives. These will include site visits, project-based learning opportunities, and interactive sessions designed to inspire interest in engineering, construction, and sustainable development.

The scheme will also deliver significant improvements to active travel infrastructure, enhancing walking and cycling routes to promote healthier, more sustainable modes of transport for the local community.

The project will continue to address planning permission concerns while advancing detailed design work and progressing negotiations for land acquisition.

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

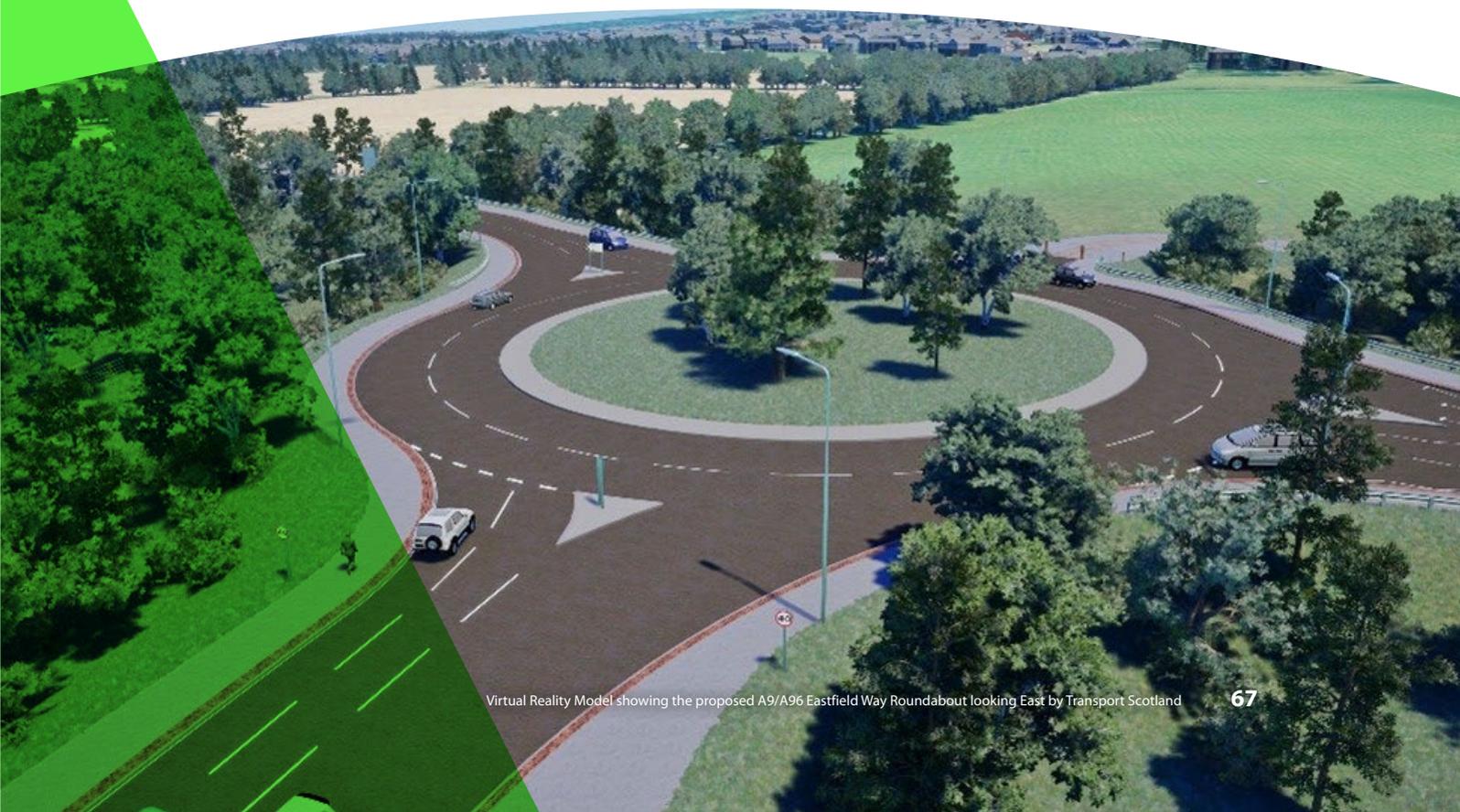
A9/A82 Snaidhm-rathaid an
Longmain & A9/A96 Na h-Innseagan
gu Baile a' Ghobhainn
(Còmhdhail Alba)

Lead Organisation

Transport Scotland

The Scottish Government's commitment to the Inverness and Highland City-Region Deal included 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 for the projects is a matter for Scottish Ministers directly.



Original Project Funding

Government up to £109,000,000

Total up to £109,000,000

Project Progress Update: A9/A82 Longman Junction

In November 2024, the Scottish Government approved The Highland Council's request to revise its commitment under the Inverness and Highland City-Region Deal. This revision involved replacing the commitment to the Longman Junction Improvement project with the provision of funding for a new ferry to serve the Corran Narrows crossing.

Looking forward

Although the Longman Junction Improvement has been removed from the Inverness and Highland City-Region Deal, the Scottish Government remains committed to the project. It remains part of the national transport investment pipeline which is subject to the Scottish Government's annual budget-setting and prioritisation processes.

Project Progress Update: A9/A96 Inshes to Smithton

The remaining A9/A96 Inshes to Smithton project is being delivered by Transport Scotland and is subject to Transport Scotland's governance requirements. Funding for the project is a matter for Scottish Ministers directly.

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 was 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 considered the remaining objections and reached a decision that a Public Local Inquiry was not necessary and that Orders should be made as published.

Orders for the scheme were made on 20th June 2024, which completed the statutory authorisation process for the project, and Transport Scotland has now completed the necessary procedural steps to finalise acquisition of the land required to construct the project, with Scottish Ministers taking title to the land on 5th May 2025.

Work is also being progressed to determine the most suitable procurement option for delivering the scheme and thereafter a timetable can be set.



A market consultation was launched on 24th February 2025 to inform further decision-making for completion of A9 Dualling and also seek industry views to inform development of the procurement approach for the A96 Dualling Inverness to Nairn (including Nairn Bypass) and A9/A96 Inshes to Smithton projects. The feedback received from this market consultation will be important for the development of the approach to procuring and constructing both the A96 Dualling Inverness to Nairn (including Nairn Bypass) and the A9/A96 Inshes to Smithton projects.

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.

Transport Scotland continues to progress work to determine the most suitable procurement option for delivering the scheme and thereafter a timetable can be set.

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.

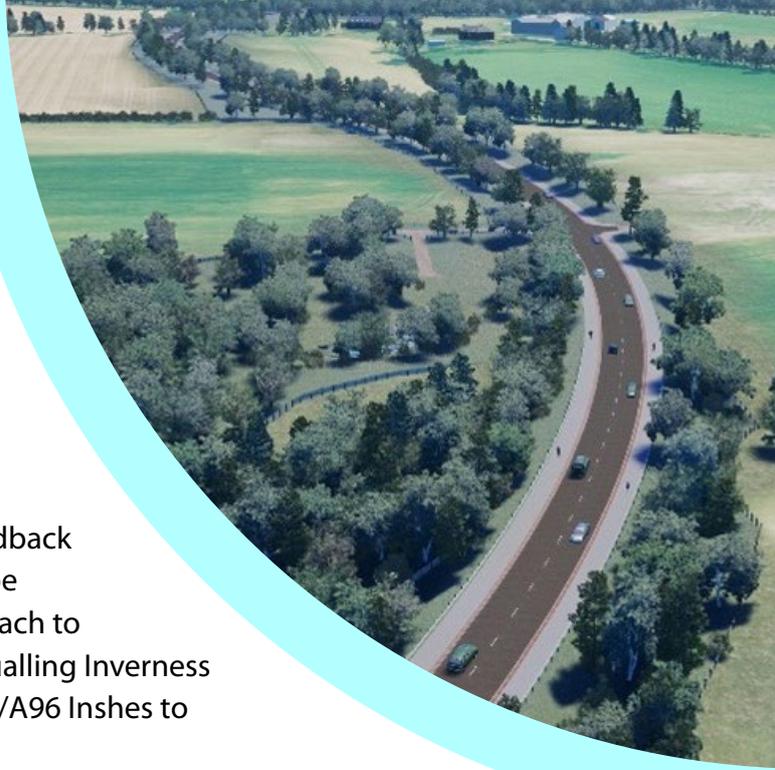
Partners

Transport Scotland continues to work collaboratively with The Highland Council on the A96 Inshes to Smithton scheme given their significance as a major landowner and local roads authority.

Inclusive Economic Growth

Investment in the proposed A9/A96 Inshes to Smithton scheme 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 project 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 with reductions in 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.
- Connecting people to economic and social opportunities.
- Improving the attractiveness of the area and encouraging tourism to the area.

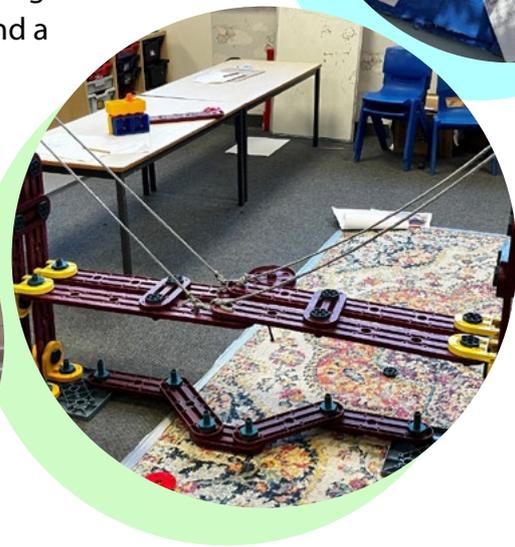
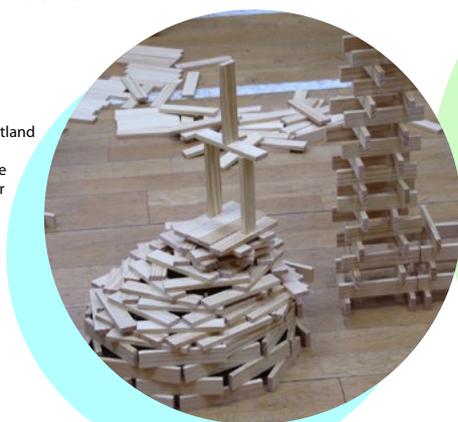
Community Benefits and Net Zero

As part of the delivery of the A9/A96 Inshes to Smithton scheme, Transport Scotland and its technical advisors, 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 a Mock COP29 raising awareness and building understanding of the UN's climate change conference COP29 at Inverness Chambers of Commerce and a climate discussion and exhibition at Inverness Botanical Gardens.

Photos by Transport Scotland from Left to Right:
1 Tallest Tower Challenge using KAPLA at Ardersier Primary School.
2 Bascule Bridge Challenge using MTa at Inverness Gaelic School.
3 Mock COP29 Artivism Exhibition at Inverness Botanical Gardens.



Corran Ferry New Electric Vessel

Soitheach Dealain Ùr Aiseag a' Chorrain

Lead Organisation

The Highland Council

The Corran Ferry, operating between the A82 and A861, is a critical transport link for the Lochaber region. It serves as a lifeline for residents, businesses, and visitors across Fort William, Ardgour, Sunart, Ardnamurchan, Moidart, Morar, Morvern, and the Isle of Mull – connecting remote and rural communities and supporting the area's social and economic wellbeing.

This project will introduce a new, larger electric roll-on/roll-off (Ro-Ro) ferry with a 32-car capacity, replacing the current 28-car MV Corran. The new vessel will deliver a modern, efficient, and environmentally responsible transport solution, significantly improving operations and the overall user experience.

By ensuring the continuity and resilience of this essential service, the project underpins the long-term economic viability and sustainability of the Ardgour peninsula, wider Lochaber area, and the Isle of Mull.

Original Project Funding

Government	£28,000,000
Total	£28,000,000

Project Progress Update

Following a request from The Highland Council, the Scottish Government approved a revision to its commitment within the Inverness and Highland City-Region Deal, reallocating funding from the Longman Junction Improvement project to support the delivery of a new electric ferry for the Corran Narrows crossing. This marked a major milestone in progressing a modern, sustainable transport solution for the region.

The Corran Ferry is the busiest single-vessel route in Europe, operating year-round, seven days a week. It carries approximately 270,000 cars and 11,000 commercial vehicles and buses annually. This investment secures the long-term viability of a vital transport link that supports the economic and social sustainability of communities across the Ardgour peninsula, Lochaber, and the Isle of Mull.

The new electric roll-on/roll-off (Ro-Ro) ferry will offer a 32-car capacity an increase from the current 28-car MV Corran. This added capacity will help meet growing demand and reduce congestion during peak times. The drive-through configuration will streamline loading and unloading, especially for heavy goods vehicles, by improving ramp alignment and reducing turnaround times.

From an environmental perspective, the vessel's electric propulsion system will deliver near-zero emissions, significantly contributing to both the Council's and the Scottish Government's climate change targets.

Progress on the project accelerated in April 2024 with the completion of the final concept design, paving the way for the next phase of development. This design milestone provided a clear foundation for procurement planning and stakeholder engagement.

February 2025 saw the project team host an inception workshop at Council headquarters, bringing together lead consultants and Council officers. This session formally launched work on the Outline and Full Business Case, setting the stage for detailed planning and a thorough investment appraisal.

In March 2025, the Council's Energy Team hosted a dedicated workshop to agree on the requirements for shore-side charging infrastructure. This session brought together Corran Ferry project officers and consultants, and led to the initiation of SSEN applications. Later that month, the Corran Ferry Vessel Project and Council Procurement teams visited a Glasgow-based transport infrastructure provider to explore the potential for a formal partnership, building on existing collaborative working arrangements.

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

The focus of activity in 2024/25 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 and is scheduled to conclude in Spring 2025. The latest phase of activity saw preparation for untethered flight testing of the Arc Aerosystems heavy lift drone at Wick John O'Groats Airport planned for Spring 2025.

Following Windracers nine weeks of trials in the Orkney Islands in Summer 2024, the next set of trials is planned for the Shetland Islands starting from June 2025, pending CAA approvals. The aircraft has a cargo capacity of 700L, a payload capacity of 100kg, and a range of up to 600km. Looking ahead to 2025/26 it is hoped to test this technology through operations from Wick John O'Groats Airport and Ashaig Aerodrome in the Isle of Skye.

Use cases are being developed to further provide insight into how the technology can improve connectivity and services.

ARC Aerosystems will be conducting untethered VLOS (visual line of sight) flights at Wick John O'Groats Airport, currently scheduled for May 2025, pending CAA approvals. Incremental untethered VLOS flights have been taking place at Finmere Aerodrome following CAA approval, in preparation for the Wick flight.

Cranfield Aerospace Solutions have concluded their work dedicated to airport infrastructure and operational systems, working closely with EMEC, Cranfield University, UHI, HIAL and the CAA. Several reports have been completed to help inform hydrogen operations in the future at smaller regional airports and aerodromes. These include a Concept of Operations (CONOPS) for the technological, operational and logistical challenges of fuelling hydrogen powered aircraft, and fuel assurance procedures and risk assessments covering different forms of hydrogen fuel for aviation.

SATE has been selected as one of 13 projects under the latest phase of the Civil Aviation Authority's Hydrogen Sandbox to create a better understanding of hydrogen technologies, shape future regulation, and ensure they are safely adopted into the aerospace sector.



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Paul Reid	Project Lead Corran Ferry Infrastructure Improvements
Morven Fancy	Project Lead Science Skills Academy
Ellen Packham	Project Lead Life Sciences Innovation Centre
Lucy Fraser	Project Lead Innovative Assisted Living (FitHomes)
Fiona Hampton	Project Lead Inverness Castle
Garry Smith	Project Lead Inshes Junction
Bryan Stout	Project Lead West Link
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Paul Reid	Project Lead Corran Ferry New Electric Vessel
Ranald Robertson	Project Lead Highland Air Access

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