

# The Highland Council

<b>Agenda Item</b>	<b>11</b>
<b>Report No</b>	<b>ECI/40/25</b>

**Committee:** Economy and Infrastructure

**Date:** 13 November 2025

**Report Title:** UK Shared Prosperity Fund: 2025/26 Delivery Plan Update

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

## **1 Purpose/Executive Summary**

1.1 The 2025/26 Highland UKSPF Delivery comprises a range of projects geared to delivering positive impacts across the Highland Region, building on the successes of the 2022-25 Delivery Plan and introducing new interventions, all aimed at maximising the return on the 2025/26 investment.

1.2 This report provides the latest update on the 2025/26 UK Shared Prosperity Fund (UKSPF) Delivery Plan, detailing progress across the range of projects being progressed under the UKSPF priorities of Community and Places, Supporting Local Business and People & Skills.

1.3 Delivery progress in the first 6 months of the plan is covered under Section 6 of this report, with the following providing some of the key headlines:-

- **Gaelic Conference** = The Highland Council's Gaelic Conference showcased the cultural and economic value of Gaelic, bringing together over 100 delegates to explore its role in driving growth, enhancing tourism, and creating sustainable opportunities across Highland communities.
- **Storr Phase 2** = progressing to schedule, with planning permission granted for the extension to the existing unit at the Storr, construction procurement process underway, and contractor appointment expected shortly.
- **Strategic Events Grant Fund** = successfully awarded £75,000 to 13 diverse cultural and community events, boosting regional promotion, extending the visitor season, and delivering economic and social benefits.
- **Business Start-Up Support and Grants** = 374 businesses and 171 start-ups supported, with strong engagement in grants, specialist advice, and workshops helping new enterprises grow and thrive.
- **Active Travel Infrastructure Projects** = Wick, Willowbank to Staxigoe footway and junction crossing improvements completed enhancing accessibility, ongoing construction in Inverness, and a feasibility study underway to support future sustainable mobility hubs.

1.4 A listing of all approved projects under the 2025/26 Delivery Plan is provided within **Appendix 1**.

## **2 Recommendations**

2.1 Members are asked to **note** the update on the 2025/26 UKSPF Delivery Plan.

## **3 Implications**

3.1 **Resource** – The 2025/26 Highland UKSPF allocation is £3,097,358 which comprises £878,243 Capital and £2,219,116 Revenue. With 4% of the revenue budget (£123,894) required to be allocated to the management of the delivery plan, the total sum available to spend up to 31 March 2026 is £2,973,465.

3.2 **Legal** - The Council is the accountable body for the management of the Fund and responsible for ensuring that all funds are used solely in line with the UKSPF Prospectus and Additional Guidance issued. Funding is also subject to compliance with the terms of a Memorandum of Understanding. For instances where other external organisations are delivering activity, appropriate agreements will be entered into with each affected party.

3.3 **Risk** - The risk response strategy for managing the 2025/26 UKSPF Delivery Plan spend aims to ensure full commitment and spend across the approved projects. This will be addressed via proactive programme management processes to monitor progress of projects and take intervening action as required to ensure the greatest opportunity of successful delivery of the UKSPF Priorities including movement of funds between approved projects where required.

3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – There are no specific implications connected with the delivery of the UKSPF.

3.5 **Gaelic** - Gaelic will be included in all relevant projects and communications in line with Council policy.

## **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 Integrated Impact Assessment - Summary

4.3.1 In relation to the proposed UK Shared Prosperity Fund 2025/26 Delivery Plan, an Integrated Impact Assessment screening was undertaken on 7 April 2025. The conclusions have been subject to the relevant Manager Review and Approval, with the summary report included in the UKSPF report to 29 May 2025 Economy and Infrastructure (E&I) Committee.

The screening process concluded that there are anticipated positive impacts as result of the proposed 2025/26 UKSPF Delivery Plan. The circa £3m investment will provide additionality across the Region including active travel initiatives, supporting the visitor economy, and training and skills development, such as green skills and support for people with disabilities and long-term health conditions.

4.3.2 This is an update report and therefore an impact assessment is not required.

## **5 2025/26 Highland UKSPF Delivery Plan Overview**

5.1 The UK Government confirmed on 13 December 2024 UKSPF allocations for 2025/26 which for Highland is £3.10m (£0.88m Capital; £2.22m Revenue).

The 2025/26 Delivery Plan was approved at the 29 May 2025 Economy and Infrastructure Committee.

The Plan comprises a range of projects geared to delivering positive impacts across the Highland Region, building on the successes of the 2022-25 Delivery Plan and introducing new interventions, all aimed at maximising the return on the 2025/26 investment.

5.2 The 2025/26 Delivery Plan is being managed and governed in accordance with the 2022-25 plan, with scrutiny provided through the Member led City Region Deal Monitoring Group, and through regular update reports to the Economy and Infrastructure Committee.

## **6 2025/26 Highland UKSPF Delivery Plan Progress**

6.1 The 2025/26 Highland UKSPF Delivery Plan is included within **Appendix 1** of this report and provides a progress and status update across the range of interventions being progressed under the UKSPF priorities Community and Places, Supporting Local Business, and People & Skills.

6.2 The following sections of this report highlight some of the notable areas of progress during this reporting period.

6.3 Community and Places - Healthy Safe and Inclusive Communities

6.3.1 Active Travel Infrastructure Projects:-

- Wick, Willowbank to Staxigoe footway and junction crossing improvements have been completed and invoiced, enabling improved access for walking and wheeling through or to community facilities. The works include the upgrade of 15 junctions with drop kerbs and tactile paving, some with realigned and narrowed crossings and surface improvements on the route.
- Inverness, Smithton Road - Construction works commenced September 2025 and are due to complete within 12 weeks, by early December 2025.
- Inverness, Dows Path - Design drawings are pending, with works due to commence late November 2025.

- Highland Wide Mobility Hub Feasibility Study – The Active Travel Team has engaged with tourism colleagues and identified potential sites to be reviewed as future mobility hubs for active and sustainable travel. The next step will be for a consultant to assess the sites to determine their suitability and practicality to host a mobility hub and provide a feasibility report.

#### 6.3.2 Aviemore Park & Ride Feasibility Study

The feasibility study is underway, with the topographical survey completed. Environmental, ecology, and geotechnical assessments are ongoing. Preliminary design drawings are progressing beyond draft stage, and the final report is expected by the end of Autumn.

#### 6.3.3 Inverness Campus

The Initial Project Brief is being developed by the Capital Planning and Estate Strategy Team, and the required information to secure planning consent is being assembled.

The current site is prepared green field with excellent infrastructure nearby, facilitating a straightforward path to development once planning is secured.

### 6.4 Community and Places – Thriving Places

#### 6.4.1 Storr Phase 2

The project is progressing to schedule. Planning permission has been granted for the extension to the existing unit at the Storr and the construction procurement process is underway, with contractor appointment expected shortly.

#### 6.4.2 Strategic Events Grant Fund

Highland Council awarded £75,000 to 13 events through the Strategic Events Grant Fund, supported by the UKSPF. The fund was significantly oversubscribed, with 37 applications requesting over £260,000. Events supported include music, food, astronomy, and Gaelic culture, aligned with priorities around economic impact, community benefit, and sustainability. Several funded events have already taken place, contributing to regional promotion and extending the visitor season.

#### 6.4.3 Whaligoe Steps

The proposed car park extension at Whaligoe Steps was initially considered for funding through the Rural Tourism Infrastructure Fund (RTIF). However, due to high demand and the project's Tier 2 status in the Council's Strategic Infrastructure Development Plan, VisitScotland did not approve it for funding at this time.

As RTIF funding will not be available in 2025/26, the UKSPF allocation for this project has been revised from £90,000 to £30,000. The revised funding will be used to progress design work, enabling the project to become "shovel ready" and well positioned for future funding through RTIF or alternative sources. The Council is currently reviewing its RTIF Infrastructure Plan to support future bids and ensure alignment with strategic priorities.

Design development is well underway, with options reviewed, drafted, surveyed, and finalised. Planning permission is now being sought.

To maximise the impact of available resources, the remaining £60,000 has been reallocated to the Ardvreck Car Park project, which was facing a funding shortfall. This approach enables the Council to continue delivering key infrastructure improvements while maintaining momentum at Whaligoe.

#### 6.4.4 Ardvreck Castle

The project continues to progress as expected and now has a full funding package in place. It remains on track to meet the projected completion date of March 2026. The tender package was issued on 3 October, with submissions due within two weeks of that date.

#### 6.4.5 Glencoe Village Car Park

Progress on the project is continuing following recent changes in land ownership. The new owner has expressed support for the development and is working with the Council to enable formal arrangements once the estate transfer is complete. Timescales for finalising these arrangements are still to be confirmed.

The Council is taking steps to ensure the project remains on track, including exploring interim agreements to support continued progress. Engagement with legal representatives and stakeholders is ongoing to facilitate delivery and prepare for the next phase of development.

#### 6.5.6 Gaelic Conference

The Highland Council hosted a one-day Gaelic Conference at Eden Court on 1 May 2025 to highlight the cultural and economic value of Gaelic in business and employability across the Highlands. The event aligned with the Council's Gaelic Language Plan and brought together industry leaders, community members, entrepreneurs and policymakers to focus on how Gaelic can drive economic growth, enhance cultural tourism, and create sustainable opportunities for local communities.

The conference featured networking sessions, speaker presentations, and a performance by Ardnamurchan High School's Gaelic-singing band, *Sealladh*. It included 38 businesses, organisations and partners with 101 delegates in attendance.

The event emphasised the crucial social and economic role that Gaelic plays in our vibrant communities and highlighted how promoting Gaelic can stimulate economic growth and enhance community resilience.

### 6.7 Supporting Local Business

#### 6.7.1 Business Start-Up Support and Grants

Business Gateway Highland continues to deliver business start-up support and grant funding through the UKSPF programme. At the half-year point, 374 businesses have received support, with 171 confirmed start-ups.

Start-up grant applications remain strong, with 129 eligible businesses approved for funding totalling £129,000. In-depth specialist adviser support has been provided to 26 businesses to assist with starting up and scaling.

Engagement with start-up workshops and webinars has also been positive, with 272 attendees recorded during the reporting period.

## 6.8 People & Skills - Employability

### 6.8.1 Specialist Employment Support for People with Disabilities & Long-Term Health Conditions

During this quarter, 35 new registrations were recorded, bringing the total number of active clients receiving support to 154. A total of 21 job outcomes were achieved. Commissioning of the new service has commenced this quarter, with the new provision scheduled to be in place by January 2026. There will be no disruption to support for current clients during this transition.

### 6.8.2 Highland Employer Charter Digital Platform

The UKSPF funding is to be used to develop a dedicated website that enhances business outreach, networking, and collaboration between Highland Council, industry sectors, the third sector, and the wider business community. The platform will serve as the digital home of the Highland Employer Charter, promoting good practice and supporting alignment with the Council's strategic priorities.

Engagement with Cohort 1 businesses took place in July, followed by site visits and digital assessments in August, resulting in all eight businesses receiving awards in principle.

The Invitation to Quote for the digital platform has been published, with work expected to begin in early November.

### 6.8.3 Intensive Support to Improve Outcomes for Young People

Key foundations of the project have been successfully established with target pupils identified and Youth Support Officers recruited and inducted. The youth team has completed planning, and training has been delivered on the Youth Work Skills Framework and activity resources. Strategic meetings have aligned roles, timelines, and data-sharing protocols to ensure a shared understanding of attendance barriers.

The project now enters Phase 2, focusing on direct engagement with young people. Individual learning plans are being developed, and tailored support sessions are underway. This phase will prioritise relationship-building, progress tracking using the Youth Work Framework, and impact evaluation to inform future strategic planning.

## 6.9 People & Skills - Skills

### 6.9.1 UHI Green Skills

Enhancing Sustainable Fabrication and Welding Training with Augmented and Virtual Reality

Procurement for seven AR/VR welding training sets is nearing completion, with delivery and installation scheduled for early October. Initial staff training has taken place using loaned equipment. Next steps include staff familiarisation and use with Fabrication and Welding classes through October, supplier-led training on e-learning features in November, and student and stakeholder engagement from mid-November to February 2026. This will support expanded delivery and a new pre-apprenticeship class.

### Solar PV and Battery Storage

Procurement and planning process, along with internal works are started.

### Green Skills Training Fund

The Electrical Installation Regulations course has been successfully completed. The Electrical Inspection and Testing programme is currently underway and is expected to conclude during the week commencing 20 October, with 19 candidates participating. Both programmes are scheduled to run again in October. Additionally, delivery of the BPEC Heat Pump course is planned for the same period.

Designation: Assistant Chief Executive - Place

Date: 20 October 2025

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Background Papers: None

Appendices: Appendix 1 – 2025/26 Highland UKSPF Delivery Plan

**UK Shared Prosperity Fund: 2025/26 Delivery Plan Update – Appendix 1 2025/26 Highland UKSPF Delivery Plan**

UKSPF Priority	UKSPF Sub Theme	Project title	Description	UKSPF Capital	USPPF Revenue
<b>Community &amp; Places</b> (£1,692,000)	Healthy: Improve health and wellbeing	Active Travel Infrastructure	Footpath improvements (Inverness Smithton, Dows Path & Wick) and feasibility study for Mobility Hub sites.	£410,000	£25,000
		Aviemore Park & Ride	Feasibility design for a transport hub including parking and park and ride infrastructure.	£12,000	
		Inverness Campus	Development of artificial sports pitch at Inverness campus.	£350,000	
	Development of the visitor economy	Strategic Events fund	Grants of between £3K - £10K to support public events scheduled between Sep 2025 and Mar 2026.		£75,000
		Storr Phase 2	Expansion of visitor facilities including retail & wedding packages.	£550,000	
		Glencoe Village Car Park	Creation of a new permanent car park to ease traffic issues.	£95,000	
		Ardvreck Castle Car Park	Car park expansion and visitor infrastructure improvements.	£115,000	
		Whaligoe Steps Car Park	Design works for new car park and access improvements to manage tourism traffic.	£30,000	
Gaelic Conference	1 day event to highlight Gaelic's economic and cultural value.		£30,000		
<b>People &amp; Skills</b> (£880,800)	Supporting people to progress towards and into employment	Specialist Employment Support	Building on 22-25 UKSPF project for People with Disabilities & Long-Term Health conditions		£250,000
		Highland Employer Charter Digital Platform	Website development to help employers grow and succeed by improved employment standards towards Chartered Status.		£50,000
	Support for young people who are or at risk of being NEET	Intensive Support to Improve Outcomes for Young People	Support for children and young people to enable them to fully engage with school and go on to achieve both sustainable and good positive destinations to fulfil their ambitions.		£355,000
	Employment related skills	UHI – Green Skills Training (£225K)	<ul style="list-style-type: none"> <li>Solar PV and battery storage training provision</li> <li>Fabrication &amp; welding training using AR/VR technology</li> <li>Green skills training across a range of disciplines</li> </ul>	£160,800	£65,000
<b>Supporting Local Business</b> (£400,665)	Advice and support to business	Business Start-up Support & Grants	To provide business start-up support and growth grants through Business Gateway.		£400,665
<b>Total: £2,973,465</b>				<b>£1,722,800</b>	<b>£1,250,665</b>

## Detailed Project Descriptions

Project title	Description
Active Travel Infrastructure Projects	To improve walking and wheeling access through or to community facilities in Inverness Smithton (£200k) Dows Path (£200k) & Wick (£75k). Enhancements include footpath widening and resurfacing. £25k for Highland wide Feasibility Study to identify potential sites for future development of Mobility Hubs and where active/ sustainable travel can improve travel options/ experience.
Aviemore Park & Ride	To undertake concept/feasibility design for a transport hub on land south of Aviemore either side of the current A9/B9152 junction. To look at potential layout and capacity for parking and park and ride infrastructure with potential for vehicle charging etc, likely on a phased basis from starting operation through to a maximum capacity.
Inverness campus	To create an artificial sports pitch at Inverness Campus. Initial Project Brief in development by Capital Planning & Estate Strategy Team, with changes from the previous plan for rugby pitch on the campus. Current site is prepared green field with excellent infrastructure nearby, facilitating a straightforward path to development once planning is secured.
Storr Phase 2	The project aims to build on the success of the initial development, adding new amenities and services to meet the growing demand. Scope includes additional retail space and opportunities to provide wedding packages at the extended Storr Centre, including alcohol sales.
Strategic Events Grant Fund	Initiative designed to support the region's dynamic events sector and strengthen the local economy during the quieter shoulder and off-season months by offering grants of £3,000 to £10,000 to support public events scheduled between September 2025 and March 2026.
Glencoe Village Car Park	To create a new permanent car park for visitors to the village, to provide a longer lasting solution to traffic and parking issues.
Ardvreck Castle	To enhance parking provision at Ardvreck Castle, which includes creating new parking for cars, motorhomes and coaches. The project would extend the existing car park to accommodate around 25 spaces for cars and motorhomes. Several laybys would be formalised and signed, with a dedicated coach only parking area. Path, interpretation & waste improvements are also being considered.
Whaligoe Steps Car Park	Design work to create a new standalone car park to cope with increased tourism traffic pressures and turn existing car park to resident only parking. Will also review the site entrance for potential new access road to divert traffic away from the existing residential houses. Potential income generation through parking charges.
Gaelic Conference	1 day conference to evidence the cultural value and impact of Gaelic's economic potential in Business and Employability across The Highlands.

Project title	Description
Specialist Employment Support for People with Disabilities & Long-Term Health conditions	To build on the success of 22-25 UKSPF project – Test and Learn Challenge Fund which supports people with disabilities, long term health conditions and people who are long term unemployed to progress towards and into employment.
Highland Employer Charter Digital Platform	UKSPF allocation will be used to develop a dedicated website that enhances business outreach, networking, and collaboration between Highland Council, industry sectors, the third sector, and the wider business community, towards achievement of Charter status.
Intensive Support to Improve Outcomes for Young People	Project aims to improve attendance and attainment and grow sustained positive destinations. It will focus on three schools with the most significant attendance challenges, including the two Highland Schools involved in a Scottish Government pilot. A blended support model will be adopted, combining Council-employed Youth Support Workers with external specialists and local third sector providers to deliver tailored, person-centred support.
UHI - Solar PV and Battery Storage	To complete the new Renewable Energy Training Hub and increase training provision to include solar PV and battery storage.
UHI - Enhancing Sustainable Fabrication and Welding Training with Augmented and Virtual Reality	To enhance fabrication and welding training and scale up delivery using augmented and virtual reality (AR / VR) technology, whilst limiting environmental impact. Costs are for AR welding simulation equipment and training for up to 7 stations.
UHI - Green Skills Training Fund	To provide training in green skills across a range of disciplines and with a range of certified and accredited training and CPD. The additional funding will also support green skills training to be delivered in the new Sustainable Construction Centre that UHI Inverness will open in 2025.
Business Start-up Support and Grants	To provide business start-up support and growth grants through Business Gateway. This includes advice and potential financial support to start a new business, grow or diversify.