

Agenda Item	<b>7</b>
Report No	<b>HC/06/26</b>

# The Highland Council

**Committee:** Highland Council

**Date:** 27 March 2026

**Report Title:** Inverness and Cromarty Firth Green Freeport Retained Non-Domestic Rates Fund

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

## **1 Purpose/Executive Summary**

- 1.1 The report presents the draft Investment Plan as detailed in Appendix 2 for the Inverness and Cromarty Firth Green Freeport (ICFGF) retained Non-Domestic Rates Fund (rNDR Fund).
- 1.2 As stated in the Green Freeport's bidding prospectus, the local authority area in which a Green Freeport is located will retain the non-domestic rates (rNDR) growth above an agreed baseline for a period of 25 years. Forecasts prepared for the ICFGF Full Business Case anticipate gross rNDR of £4m in 2027/28, rising to £28m at the end of the 25-year retention period, with an overall total forecast revenue of £547m in 2024 prices.
- 1.3 This revenue is to be used to support the delivery of sustainable and inclusive economic net gains to the Highlands economy and communities, by promoting public and private initiatives within the Green Freeport and wider travel-to-work area that promote skills and employment; productivity, including through innovation; trade and investment; regeneration; and a fair net zero transition. This was set out in the ICFGF Business Case.
- 1.4 The purpose of the Investment Plan is to provide a structured framework that enables the ICFGF Company (the Governing Body for the ICFGF) and the Highland Council (the sole Rating Authority and Accountable Body for the ICFGF), to manage and deploy rNDR funds effectively.
- 1.5 The ICFGF Company, as Governing Body for the ICFGF, is responsible for developing proposals for the allocation of the rNDR Fund through the development of the Investment Plan. The Highland Council, in its capacity as Accountable Body, must be satisfied with the contents of the Investment Plan, and formally endorse it.
- 1.6 The paper sets out that as part of the feedback to the Freeport, it is proposed that a flexible approach to future rNDR is taken, developing an investment model that allows consideration of opportunities for projects to be forward funded, subject to affordability and financial due diligence, achieving a more consistent level of investment over the rNDR period rather than waiting until funds accumulate fully. This would ensure that opportunities are realised earlier creating positive impacts for

communities in Highland. In addition, it is proposed that opportunities are explored for some of the rNDR to be invested to create a long-term funding pot, delivering a lasting legacy of the ICFGF beyond the initial 25-year period.

## 2 Recommendations

### 2.1 Members are asked to:-

- i. **Note** the background to the development of the draft Investment Plan;
- ii. **Note** the feedback from Members as set out in section 6 and Appendix 3;
- iii. **Agree** that the feedback from Members, as set out in section 6, will be passed to the ICFGF Board for consideration within the final Investment Plan;
- iv. In addition to the feedback from Members, **agree** to endorse the proposed Investment Plan;
- v. **Agree** that officers and the ICFGF Board explore opportunities to invest some of the available rNDR to create a recyclable funding pot which extends beyond the lifetime of the ICFGF;
- vi. **Agree** that the Council, along with the ICFGF Board, will consider opportunities to 'forward invest' rNDR delivery plan investments, to accelerate enabling infrastructure and investment, based on future income profiles and payback, subject to affordability and financial due diligence; and
- vii. **Note** that there will be engagement with Members on an annual basis to develop the Delivery Plan, which will include specific priorities for the forthcoming year, based on updated forecasts of available income.

## 3 Implications

- 3.1 **Resource** – the draft Investment Plan has been developed in conjunction with Freeports Hub, which is consultancy support made available by UK and Scottish Governments to support Freeports across the UK. The implementation of the rNDR Fund has resource implications for the Highland Council, in both its role as Rating Authority (collecting the NDR income) and its role as Accountable Body (managing the expenditure of the rNDR Fund). It is a core principle of the rNDR Fund that it will fund the costs associated with the Highland Council executing its role as Rating Authority and Accountable Body to ensure it maintains cost neutrality.

As set out within this report, the intent is that through the rNDR fund, opportunities to forward fund and create a longer-term legacy funding model are explored. This may result in resource implications for the Council, if, as a result, there becomes a cashflow and potentially a budgetary consequence for the Council supporting the forward funding approach. Such opportunities would therefore be assessed in terms of affordability, risk and financial due diligence, considered in the wider context of financial and resource implications for the Council. Within the investment plan it is assumed that any Funds held by the Council would attract interest on net balances held and be retained within the Fund, and on the same principle any "forward funding" the Council would expect interest to be recovered to against future rNDR incomes, to recompense the Council for expenditures forward funded.

- 3.2 **Legal** – the draft Investment Plan has been reviewed by the ICFGF Officer Group, which includes the Chief Officer - Legal and Corporate Governance. As investments are made through the rNDR Fund, formal funding agreements will be put in place between the Highland Council and funding recipients, contracting recipients to delivering agreed outcomes.

- 3.3 **Risk** – the draft Investment Plan has been reviewed by the ICFGF Officer Group. Additionally, a risk register will be maintained. As set out within the report, appropriate risk assessment of any forward funding or longer-term/legacy investment proposal would be undertaken.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – there are no Health and Safety risk implications arising directly from this report.
- 3.5 **Gaelic** – the draft Investment Plan complies with the guidelines on the use of Gaelic in Highland Council services. Opportunities also exist to incorporate Gaelic branding and messaging within promotional materials for the rNDR Fund.

#### 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 An Integrated Impact Assessment screening has been undertaken, and the conclusions have been subject to the relevant manager review and approval.

4.3.2 The screening process has concluded that there are potentially positive impacts in terms of sex, age, poverty and socio-economic status, climate change, and an indirect positive impact on children’s rights and wellbeing, due to the Fund supporting employment and skills opportunities, and regeneration of communities, including housing. There were no negative impacts identified.

4.3.3 Members are asked to consider the summary in **Appendix 1** to support the decision-making process.

4.3.4

<b>Impact Assessment Area</b>	<b>Conclusion of Screening</b>
Equality	Positive impact
Socio-economic	Positive impact
Human Rights	No impact
Children’s Rights and Wellbeing	Positive impact
Island and Mainland Rural	No impact
Climate Change	Positive impact
Data Rights	No impact

## 5 Background

- 5.1 The draft Investment Plan for the rNDR Fund sets out the framework for the management and spending of rNDR at the ICFGF. Owned by the Governing Body, the Investment Plan is a long-term forward-looking document intended to provide a clear structure for the Fund over its 25-year lifespan. The Investment Plan is to be reviewed via the ICFGF Board every three years to ensure it remains fit for purpose. The Highland Council is a key consultee in the development and review of the Investment Plan, including consulting with Members through the Members Monitoring Group and Economy and Infrastructure Committee.
- 5.2 An annual Delivery Plan will also be prepared by the Governing Body, with the Highland Council as key consultee, setting out the short-term operational strategy for the Fund. Members will be consulted on the development and annual review of this plan.
- 5.3 As the sole Rating Authority and Accountable Body for the ICFGF, the Highland Council is wholly responsible for the collection of additional NDR growth on ICFGF tax sites for a period of 25 years, to be used to deliver the strategic priorities identified by the ICFGF Board through its Investment Plan. Only 'additional' non-domestic rates qualify to count as part of the value of retained rates available to be spent within the Fund. This means that rates from any existing businesses located on the site will not be included. ICFGF has agreed a displacement rate of 2.5%, which will be deducted from any eligible non-domestic rates ahead of confirming the total of retained rates which will form the basis of the Fund.
- 5.4 Three sites within the ICFGF were formally designated in April 2024: Ardersier, Inverness, and Cromarty Firth. Tax site occupiers have a ten-year period to claim Freeport tax reliefs, which have a duration per occupier of five years. Scottish Government, as guarantor, provides the value of the retained rates directly to the Accountable Body during this period.
- 5.5 Investment of rNDR must be in support of Green Freeport objectives. Interventions can be funded via a one-off grant, a multi-year grant, equity investments, co-investment and, in exceptional circumstances, loans. It is expected that in the short-term, most interventions will be funded via grants, with other funding mechanisms considered as the rNDR income increases.
- 5.6 The investment of rNDR will be guided by five core objectives:-
- maximise long-term sustainable inclusive economic net gains to the Highlands;
  - enable further private and public investment;
  - deliver infrastructure and services that would not otherwise occur;
  - support the transition to a low-carbon economy; and
  - promote inclusive growth across the ICFGF travel-to-work area
- 5.7 All interventions must meet eligibility criteria set out by UK and Scottish Governments:-
- Rating Authority and Accountable Body management and operating costs;
  - Governing Body operating costs (where necessary and proportionate);
  - Physical and/or digital infrastructure that enables investment in the ICFGF area;

- Land assembly and site remediation works to unlock development opportunities;
- Skills and workforce development to support high-quality job creation;
- Innovation initiatives that drive productivity and competitiveness;
- Regeneration and 'live-work-play' assets within the ICFGF travel-to-work area;
- Measures to mitigate displacement or negative externalities;
- Net Zero and decarbonisation initiatives aligned with a just transition; and
- Delivery of ICFGF-specific planning measures

5.8 Additionally, projects must demonstrate that rNDR funding is needed for the project to progress, and that rNDR is the most suitable funding for the project, rather than alternative sources.

5.9 Interventions should seek to complement and align with existing regional strategies and priorities which could include Council investment programmes. The core objectives of the Fund, as outlined in the ICFGF Business Case, are:-

- Skills and employment;
- Productivity and innovation;
- Global trade and innovation;
- Regeneration (including housing); and
- Net zero transition

For the avoidance of doubt, the Council is of a view that nNDR rates, can and should, be used to supplement existing and future Council funded projects and infrastructure development. This is about ensuring a lasting legacy as a result of these monies, whoever is delivering the project.

5.10 Engagement with stakeholders and officers identified workforce development and housing as potential early priorities for the use of funding, linked to the skills and employment and regeneration objectives of the Fund.

5.11 **Appendix 2** sets out the full draft Investment Plan. This provides background to the Fund; strategic priorities, including investment objectives and how these will be prioritised; proposed investment programmes; the application and assessment process and governance arrangements.

## **6 Feedback from Members**

6.1 Feedback has been sought from Members on the draft Investment Plan at Members Monitoring Group on 23 January 2026, and at a Members Workshop on 26 January 2026. Feedback provided by Members via an online interface is included within **Appendix 3**.

6.2 Members agreed with the five strategic objectives in the Investment Plan. There was further agreement that housing and workforce development should be early priorities for the Investment Fund, but Members also highlighted the importance of social infrastructure projects such as community and sports facilities and transport/infrastructure projects, including active travel schemes. Additionally, Members would like to see links to existing community strategies, including local and area place plans, and for community wealth building principles to be applied. Skills,

employment and regeneration were identified as the critical objectives for funding throughout the lifetime of the Fund.

6.3 Members raised concerns about the infrastructure required to support the ICFGF, including the impact on roads, health services and housing demand. Connectivity to places of work within ICFGF sites was also mentioned. Whilst it was accepted that the rNDR Fund cannot be used as a substitute for statutory obligations, Members would like to see some funding used to support enabling activity.

6.4 Members also indicated that they would like to see some of the rNDR invested to create a long-term recyclable funding pot which will be a lasting legacy of the ICFGF benefitting communities across the Highlands.

## **7. Financial Models to Support Investment**

7.1 As set out within this report, the expected profile of rNDR income is likely to see a tapering in and increasing profile of income. Forecasts prepared for the ICFGF Full Business Case anticipate gross rNDR of £4m in 2027/28, rising to £28m at the end of the 25-year retention period, with an overall total forecast revenue of £547m in 2024 prices.

7.2 This income profile would contrast with potential cases likely to come forward for early investment to support and realise some of the expected benefits of the Freeport i.e. there may be a case to spend and invest ahead of the rNDR income profile. Forward funding of projects could be a catalyst to enabling the wider economic benefits expected to be realised, but would require a funding model to support such an approach.

7.3 With the Council acting as the accountable body, and responsible for the collection and disbursement of rNDR funds, there may also be an expectation or ask of the Council to be the enabling body to support forward funding of projects. The Council may also consider that this enabling role is one which is part of the Council's wider responsibilities to support the region.

7.4 The Council would however also have to take an appropriate financial due diligence approach. Forwarding funding of projects, would represent a cash flow and budgetary consequence for the Council i.e. this would be additional expenditure and cash outgoings in advance of payback from rNDR in future years. There would therefore be financial implications and need considered in the wider context of the Council's overall financial position, and recognising the Council's financial position can change over time. The following outline principles and framework for financial assessment, and potential scenarios would be utilised.

- Any requests or opportunities to forward fund would require to be projects which met all relevant requirements and expectations of the investment plan;
- Opportunities for other parties or partners to forward fund or contribute to forward funding would be explored, recognising that while the Council would have an enabling role, it would also expect to be the forward funder of last, rather than first, resort;
- Any forward funding would be on the basis of a "full payback" approach i.e. the Council would expect to recover any forward funding, with consideration of interest costs and the time value of money, from future rNDR incomes;

- Any forward funding requests would be assessed in line with existing Council affordability and budgetary mechanisms which include:
  - For capital project investment, consideration of funding and affordability implications as part of existing capital, Highland Investment Plan, borrowing and treasury management arrangements;
  - For revenue funding requests, consideration of funding and affordability in line with existing revenue budget planning arrangements, and considering cashflow and any reserve implications;
  - For any other requests, including investments, loans or financial instruments, consideration of funding and affordability with reference to existing controls and arrangements as set out within the Council's Treasury Management Strategy.
  - In all cases, a suitable risk assessment approach would also be undertaken, including any risks to the receipt of future rNDR to recover forward funding.
  - Further consideration of internal Council process, governance and decision making arrangements around any future funding requests would be developed, considering the appropriate formal decision making of Members.

7.5 The Council would also be open to exploring any other partnership or external 'vehicles' through which forward funding could be supported or managed, where this delivered benefits from forward funding, but may lever in further or additional funds, or may reduce or mitigate any risks and implications to the Council.

7.6 Innovative approaches could also be considered, if this gave opportunities to deliver the longer-term legacy benefits that were identified through member feedback. So, in addition to any project or investment forward funding cases that may arise, the Council would give consideration to opportunities whereby an 'investment' from rNDR might give opportunities to create a recurring or longer-term income stream. Depending on the nature of opportunities, this may either be opportunities that are financed, managed and maintained internally by the Council, or alternatively may be taken forward through external partnerships or vehicles. Consideration could also be given where investment opportunities aligned not only with the Freeport investment plan, but wider Council and regional needs and priorities which could include housing or renewable energy investment. All such opportunities would of course be subject to appropriate financial assessment and due diligence.

## 8 Next Steps

8.1 Following finalisation of the Investment Plan by the ICFGF Board, work will begin on the annual Delivery Plan and ensuring that the schemes are in place to enable applications to the Investment Fund. Members will be consulted on the development of the Delivery Plan.

Designation: Assistant Chief Executive – Place

Date: 16 March 2026

Author: Lorna Holroyd, Project Manager

Appendices: Appendix 1 – Integrated Impact Assessment Summary  
Appendix 2 – Retained Non-Domestic Rates Investment Plan  
Appendix 3 – Feedback from Member

## Integrated Impact Assessment – Summary

**Proposal description:** As part of the Inverness and Cromarty Firth Green Freeport programme, additional non-domestic rates from businesses within Green Freeport Tax Sites will be retained by the local authority (Highland Council) for a period of 25 years, to be used on projects which create benefits in line with Green Freeport objectives.

The purpose of the Investment Plan is to provide a structured framework that enables the Inverness and Cromarty Firth Green Freeport Company (the Governing Body) and the Highland Council (the sole Rating Authority and Accountable Body), to manage and deploy retained non-domestic rates funds effectively. As this is a strategy, it is not known at this stage the specific projects that will be funded by the Investment Fund, and the full impacts will depend on the projects which ultimately come forward.

**Equality:** The Investment Fund will have a potential positive impact on age and sex, particularly in relation to the skills and employment objective, with new career pathways created to meet the opportunities presented by the Green Freeport. This will benefit people of all ages - creating new career opportunities for children and young people, as well as reskilling and upskilling opportunities for working age people, and a potential for targeting opportunities at women and girls, who may not traditionally have worked in this sector. As this is a strategy, specific projects are not known at this stage, however it is anticipated that there will also be benefits for people with other protected characteristics, as future projects could well include targeted interventions, and this will be actively encouraged through application guidance and promotion of the fund. The application process will also require prospective projects to detail the potential impacts and benefits on people with protected characteristics.

**Poverty and socio-economic:** It is anticipated that the Investment Fund will have positive impacts on poverty and socio-economic status, as it will increase employment and training opportunities into well-paid career pathways, and support regeneration of local communities, including the provision of affordable housing and other infrastructure, as well as improved transport and active travel links. Some of the communities in the immediate vicinity of the Green Freeport - for example Alness, Balintore and Invergordon – are amongst those most disadvantaged in the Highland region (according to the Scottish Index of Multiple Deprivation), and projects are likely to benefit people in these communities.

**Human rights:** The Investment Fund is not expected to have a direct impact on Human Rights.

**Children's rights and wellbeing:** It is anticipated that there will be an indirect positive impact on children's rights, with the Investment Fund creating skills and employment opportunities, as well as supporting regeneration projects, both of which will increase standards of living. Some of the communities in the immediate vicinity of the Green Freeport - for example Alness, Balintore and Invergordon – are amongst those most disadvantaged in the Highland region (according to the Scottish Index of Multiple Deprivation), and projects are likely to benefit people in these communities.

**Data protection:** The proposal does not involve processing personal data.

**Island and mainland rural communities:** It is not anticipated that island and mainland rural communities will be affected differently.

**Climate change:** The specific projects that will benefit from the Investment Fund are not yet known, so it is unknown at this stage as to the potential impact on greenhouse gas emissions. It is expected that there will be positive benefits to the environment, wildlife and biodiversity, as biodiversity enhancement is a focus of the Green Freeport, including building and strengthening nature networks; identifying and connecting biodiversity sites of local and regional importance with each other and with other protected sites; and delivering biodiversity and nature benefits to local communities. Whilst biodiversity is not one of the core objectives of the Investment Fund, it is expected that, where relevant, beneficiaries of the Investment Fund will be supported to consider biodiversity enhancements. It is also expected that the Investment Fund will positively influence the resilience of the region to extreme weather and the changing climate, by supporting projects that lead to enhanced energy security.

# Inverness and Cromarty Firth Green Freeport Retained Non- Domestic Rates Investment Fund

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**Maoin Tasgaidh Reataichean Neo-  
dhachaigheil Glèidhte Saor-phort  
Uaine Inbhir Nis is Chaolas Chromba**

APPENDIX 2



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# Introduction

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## Ro-ràdh

# Introduction Ro-ràdh

This document is the **Investment Plan** and sets out the framework for the management and spending of retained non-domestic rates (rNDR) at the Inverness and Cromarty Firth Green Freeport (ICFGF). The purpose of the Investment Plan is to provide a structured framework that enables the Inverness and Cromarty Firth Green Freeport Governing Body (the Governing Body) and the Highland Council as the sole Rating Authority and Accountable Body to manage and deploy rNDR funds effectively. The delivery of the Fund will align with what was set out in the Full Business Case and Memorandum of Understanding for the ICFGF, which have been approved by Scottish Government (ScotGov) and UK Government (UKG).

Owned by the Governing Body, the Investment Plan is a long-term forward-looking document intended to provide a clear structure for the Fund over its 25-year lifespan. This Plan is to be reviewed via the ICFGF Board every three years to ensure it remains fit for purpose. This Investment Plan has been prepared in collaboration with the Highland Council as the Accountable Body and any updates should follow the same process.

To encapsulate shorter-term priorities, the Governing Body also commits to preparing a **Delivery Plan** on an annual basis. This document will set out the short-term strategy for the rNDR Fund and confirm the detailed approach to fund hierarchy implementation and project prioritisation. The Delivery Plan will be prepared in collaboration with the Highland Council and agreed by the ICFGF Board.

To feed into the preparation of the Delivery Plan, the Governing Body will maintain up-to-date forecasting of rNDR income. The Governing Body will commission an update of the model annually, combining the latest data from the Accountable Body on occupiers and rates, with the expected delivery programme for remaining tax site land. The rNDR model will be used to guide the investment strategy contained in the Delivery Plan.

# Overview Foir-shealladh

## Retained non-domestic rates Reataichean neo-dhachaigheil glèidhte

As part of the Green Freeport programme, additional non-domestic rates from businesses within Green Freeport Tax Sites are retained by the local authority, to be used on projects which create benefits in line with the Green Freeport objectives. This will be guaranteed for a period of 25 years by ScotGov and UKG. rNDR provide a significant opportunity to invest in interventions that can deliver longer-term and enduring outcomes for the Highland economy and communities

## Policy context Co-theacsa poileasaidh

The arrangements for non-domestic rate retention are set out in [non-statutory guidance](#) produced by ScotGov. As stated in the Green Freeports bidding prospectus, the local authority in which a Green Freeport is located will retain the non-domestic rates growth for that area above an agreed baseline. The Highland Council is the Accountable Body for ICFGF and will therefore retain 100% of additional non-domestic rates growth (above the agreed baseline) on ICFGF tax sites for a period of 25 years. Tax site occupiers have a ten-year period to claim Freeport tax reliefs, which have a duration per occupier of five years. ScotGov, as guarantor, provides the value of the retained rates directly to the Accountable Body during this period. The Governing Body has strategic oversight of the Fund, however as retained rates are public funds, any disbursement must be managed appropriately in partnership with the Accountable Body. Funds will be collected, stored and distributed by the Accountable Body.

# Funding source(s) Tobraichean maoineachaidh

In April 2024, all three ICFGF Tax Sites were formally designated: Ardersier, Inverness, and Cromarty Firth.

The value of additional non-domestic rates will be quantified and paid to the Accountable Body by ScotGov on an annual basis. Only 'additional' non-domestic rates qualify to count as part of the value of retained rates available to be spent within the Fund. This means that rates from any existing businesses located on the site will not be included. This is known as the 'non-domestic rates baseline' and has been agreed with ScotGov and the Accountable Body via the approval of the Initial Baseline Income return.

ICFGF has agreed a displacement rate of 2.5%, which will be deducted from any eligible non-domestic rates ahead of confirming the total of retained rates which will form the basis of the Fund.

Such a revenue stream can provide a significant opportunity to facilitate further investment when 'joined up' with other sources of funding, both public and private. Match funding for interventions will be sought where possible, to crowd in other potential funding sources and maximise the potential benefits of the Fund. Furthermore, any interest generated on net rNDR balances will be retained within the fund, thereby enhancing its long-term financial sustainability.



1 cm = 2 km

# Principles and objectives Prionnsapalan agus amasan

Investment of rNDR must be in support of Green Freeport objectives. Eligibility criteria has also been set by ScotGov and UKG on the types of interventions that can be supported via rNDR, with a focus on facilitating investment, supporting the Green Freeports operations, mitigating displacement, and supporting the goal of Net Zero, skills and innovation. Investments can be of a capital or a revenue nature.

It is anticipated that in the short-term, most interventions will be funded via a one-off or multi-year grant. Other funding mechanisms will be considered, particularly in the medium and longer terms, as the expected rNDR income increases. Other mechanisms which can be utilised include equity investments, co-investment and, in exceptional circumstances, loans. The appropriateness of utilising different funding mechanisms will be reviewed on an annual basis through the Delivery Plan, as updated forecasts for rNDR are produced. Opportunities to invest rNDR to create a recyclable fund which extends beyond the lifetime of the ICFGF will also be explored.

The investment of rNDR will be guided by five core objectives:

- Maximise long-term sustainable inclusive economic net gains to the Highlands
- Enable further private and public investment
- Deliver infrastructure and services that would not otherwise occur
- Support the transition to a low-carbon economy
- Promote inclusive growth across the Freeport travel-to-work area

# Eligible investments Tasgaidhean ion-roghnach

All interventions funded through rNDR must meet strict eligibility criteria, set by ScotGov and UKG:

- Rating Authority and Accountable Body management and operating costs
- Governing Body operating costs (where necessary and proportionate)
- Physical and/or digital infrastructure that enables investment in the Green Freeport area
- Land assembly and site remediation works to unlock development opportunities
- Skills and workforce development to support high-quality job creation
- Innovation initiatives that drive productivity and competitiveness
- Regeneration and 'live-work-play' assets within the Green Freeport travel-to-work area
- Measures to mitigate displacement or negative externalities associated with Freeport activity
- Net Zero and decarbonisation initiatives aligned with a just transition
- Delivery of Green Freeport-specific planning measures

The Governing Body has additionally said that projects must demonstrate:

- Without the Green Freeport, the investment would not occur or would not occur at the optimal scale or pace
- Public funds are required to mitigate wider economic circumstances that negatively impact delivery
- The scheme is most suitably funded from rNDR rather than alternative sources

# Strategic priorities

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## Prìomhachasan ro-innleachdail

# Investment objectives Amasan tasgaidh

The core objectives of the fund are set out below. The Governing Body is accountable for delivery outcomes against these objectives.

Objective	Description
Skills and employment	<ul style="list-style-type: none"><li>• Create meaningful, lasting employment across diverse industries</li><li>• Support initiatives such as training pathways, apprenticeships and upskilling programmes that help local people to access long-term career opportunities</li></ul>
Productivity and innovation	<ul style="list-style-type: none"><li>• Attract partners and pioneers who can drive progress across the region</li><li>• Support the development of new technologies within priority sectors to complement local green transition leadership ambitions</li><li>• Provision of space for innovation activities or dedicated programmes for new technologies or sector productivity initiatives</li></ul>
Global trade and investment	<ul style="list-style-type: none"><li>• Provide an attractive proposition for businesses, to drive global trade and investment</li><li>• Interventions will enable inward investment in the region, ensure sustainable trade links and support the delivery of the ICFGF tax sites and/or the relevant upstream or downstream activities to the ICFGF sectors</li></ul>
Regeneration	<ul style="list-style-type: none"><li>• Investments in people and infrastructure to support the growth of local resilience, ambition and pride</li><li>• Target key infrastructure required to ensure sustainable regeneration and support to Highland communities</li><li>• Include activities such as community funds to support schools, youth projects and charitable activities to improve people's quality of life</li></ul>
Net zero transition	<ul style="list-style-type: none"><li>• Establish Scotland and the Highlands as a global energy transition leader</li><li>• A core value of the ICFGF and should be reflected in all activities</li></ul>

# Strategic priorities **Prìomhachasan ro-innleachdail**

This Investment Plan will respond to regional, Scottish and UK-wide priorities, and the following existing strategies have been considered in its development. These are likely to evolve over the 25-year period of the Fund and will be reviewed and updated as part of the three-year review of this Investment Plan. Appendix 1 provides more detail on existing strategies.



## Skills and employment

- Workforce North: A shared mission to grow and expand our workforce (2025)
- UK's Modern Industrial Strategy 2025-2035
- Skills Development Scotland Strategic Plan 2022-2027
- University of Highlands and Islands (UHI) 2030 Strategy



## Productivity and innovation

- UK's Modern Industrial Strategy 2025-2035
- National Strategy for Economic Transformation 2022-2032
- Scotland National Innovation Strategy 2023-2033
- Highlands and Islands Regional Economic Strategy 2025-2035



## Global trade and investment

- UK Trade Strategy (2025)
- Shaping Scotland's Economy: Inward Investment Plan (2020)
- Scotland: A Trading Nation (2019)
- Scotland's Vision for Trade (2021)



## Regeneration

- Housing to 2040 (2021)
- Highland Council Strategic Housing Investment Plan 2025-2030
- Highland Investment Plan (2024)
- Local and area place plans



## Net zero transition

- Clean Energy Industries Sector Plan (2025)
- Climate Change (Scotland) Act 2009
- Green Industrial Strategy (2024)
- Regional Transformational Opportunities in the Highlands and Islands (2025)

# Prioritisation Prìomhachasadh

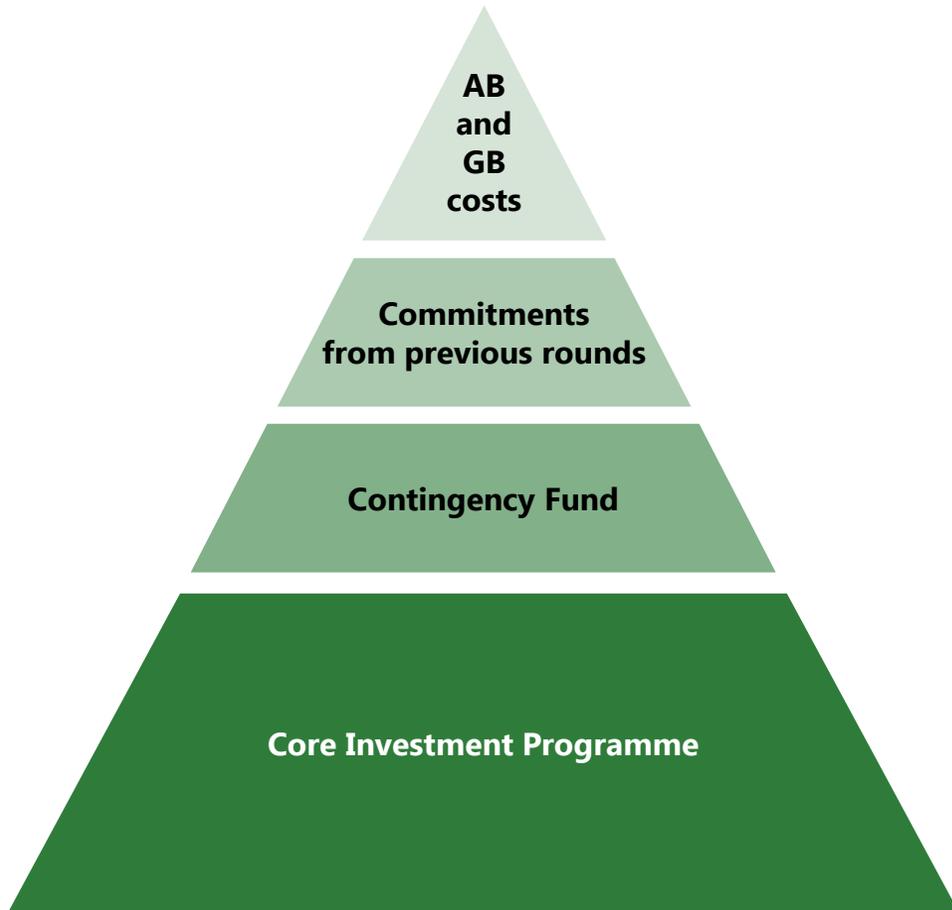
It is anticipated that the prioritisation of the Fund objectives will shift over the Fund's lifetime, as local needs change and the Fund matures. The Governing Body will consider the likely priorities across the following short, medium and long-term periods:

<b>Short-term Years 0-5</b>	During this period, tax sites will be ramping up their development pipelines. There is likely to be smaller available rNDR spend because of this
<b>Medium-term Years 5-10</b>	Tax sites are expected to be approaching maturity, with more developments coming online. The amount of available rNDR spend is expected to have increased and will continue increasing throughout the period
<b>Long-term Years 10-25</b>	Following the close of the Tax Site benefits period, the Tax Site Delivery Agreements fees will no longer be received. Available rNDR spend will stabilise following the close of Year 10, with clearer visibility over the likely forecast

# Prioritisation Prìomhachasadh

Objective	Timeframe	Rationale
Skills and employment	Throughout the lifetime of the Fund, but an early priority area	<ul style="list-style-type: none"> <li>Skills development, particularly among young people, is a high priority to enable the employment of local residents into high-quality roles and enable priority sectors</li> <li>Addressing the skills gap and availability of a skilled workforce is a key priority for inward investors and potential businesses occupying the Tax Sites</li> <li>The implementation of targeted skills and employment initiatives is therefore a short and medium-term priority to maximise the synergies of the tax sites and opportunities for the Highland communities</li> </ul>
Regeneration	Throughout the lifetime of the Fund, but an early priority area	<ul style="list-style-type: none"> <li>Investments which bring positive impact for local communities whilst targeting key regional issues that affect investors are a priority for both the Governing Body and the Accountable Body in the short and medium term</li> <li>Provision of housing and infrastructure within the region to support existing communities and ensure the region can support workers in relation to the tax site sectors is a key priority, including active travel schemes</li> <li>This is also reflected in existing regional strategies such as the Highland Investment Plan and local place plans</li> </ul>
Global trade and investment	Throughout the lifetime of the Fund	<ul style="list-style-type: none"> <li>The Governing Body has identified short-term priorities to crowd in investment to the tax sites, although this is likely to be done via support to skills and regeneration initiatives in the first instance.</li> <li>Short-term interventions targeted at investment and trade may be required to complement these priorities</li> <li>Whilst the priority for these in the medium term may decrease, the long-term period is likely to require a strategic focus on trade links and long-term sustainability of ICFGF industries</li> </ul>
Productivity and innovation	Throughout the lifetime of the Fund, but with increased focus over time	<ul style="list-style-type: none"> <li>ICFGF is comprised of multiple innovative and maturing sectors, so the implementation of productivity and innovation is a key priority, however, is likely integrated into Freeport development</li> <li>While not an immediate focus for rNDR Fund investment, productivity and innovation growth is an anticipated outcome of investment in local skills and regeneration, and specific focus on innovation projects should grow as the Fund matures</li> </ul>
Net zero transition	N/A	<ul style="list-style-type: none"> <li>Not included as a separate objective, as net zero is integral to all ICFGF activities. Alignment of this objective will be ensured via eligibility criteria applied to all applicants to the Investment Fund</li> </ul>

# Hierarchy of spend Rangachd caitheimh



THC **costs associated with executing the role of Accountable Body and Rating Authority** will be reimbursed to ensure it maintains cost neutrality. **Governing Body operating costs** are sourced from levies from landowners via the Tax Site Delivery Agreements (TSDAs) for the duration of the 10-year benefits period, but may need topping up via the rNDR Fund. rNDR should only be used when all other forms of income have been fully utilised. Following the close of the TSDA period, the rNDR Fund will become the sole source of income for the Governing Body

**Commitments from previous rounds**, if any (e.g. where allocations from the rNDR fund are provided on a multi-year basis which outlast a single investment plan period, these will need to be accounted for in subsequent rounds)

The **Contingency Fund** will be assigned to mitigate the risk of investment decisions being based on estimated rather than actual net retained NDR. The proportion of contingency will be set in the Delivery Plan annually

The **Core Investment Programme** will support investments designed to deliver the objectives of ICFGF. This should account for the majority of the rNDR Fund spend. The Programme amount will be determined following the deduction of the above pots and allocations. As well as agreed Core Programmes, flexibility to respond to emerging priorities will be retained in a "responsive pot" to accommodate shorter-term schemes, including smaller community focused schemes, likely to be allocated on a more ad-hoc basis. The Delivery Plan will review the apportionment of spend within the Core Investment Programme

# Investment programmes Prògraman tasgaidh

## Core Investment Programme Prìomh Phrògram Tasgaidh

rNDR spend within the Core Investment Programme will respond to ICFGF's strategic priorities across the Fund objectives. Programmes which form part of the Core Investment Programme will be reviewed on an annual basis as part of the Delivery Plan. It is expected that in the short-term, programmes will be delivered over multi-year cycles. As rNDR income increases, the delivery arrangements will be reviewed, including whether allocating funding via funding rounds is appropriate.

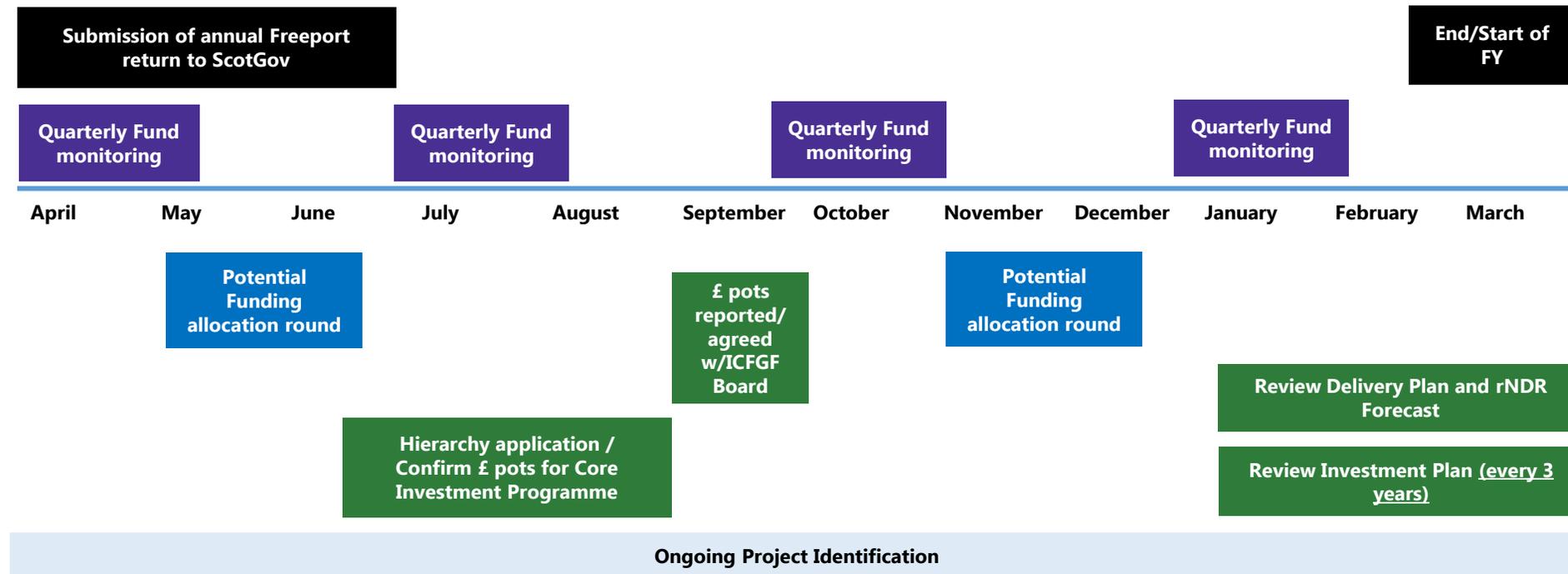
A proportion of the Core Investment Programme will be retained for a "responsive pot" to respond to emerging priorities, which will likely be shorter-term or smaller-scale schemes (identified as schemes with a cost of <£50,000). These will be allocated within the overall Core Investment Programme budget, which is set annually in the Delivery Plan.

The Core Investment Programme will operate cyclically, signing off interventions as and when needed on a rolling basis to respond promptly to proposals that meet the Freeport's objectives and deliver tangible local benefits. Interventions will be judged on their individual contribution to the Fund objectives, their deliverability, value for money, the additionality of grant support, and their ability to leverage match funding.

The Core Investment Programme will be open to public and private sector organisations, as well as community groups, social enterprises, not-for-profits, and charities. Where the applicant is a private sector organisation, it is expected that any grant funding will be match funded.

# Investment cycle Cearcall tasgaidh

The Investment Plan will be supported by a Delivery Plan, which will look at the upcoming 1-3 year delivery period and set the short-term priorities for the Fund. The Delivery Plan will be updated between January and March annually to provide clarity for the ICFGF Board and the Accountable Body on priorities entering the new Financial Year. The Accountable Body is required to submit an annual Freeport return by June of every year, for the previous Financial Year. Once the total rNDR is confirmed via the annual return, the Governing Body will apply the hierarchy of spend to confirm the quantum available for the Core Investment Programme. This should be confirmed via a report to the Freeport Board.



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# Process

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# Pròiseas

# Assessment process **Pròiseas measaidh**

The Governing Body must ensure a robust assessment process is in place to support the allocation of rNDR spend. The investment assessment process for all potential rNDR interventions comprises the following steps:



# Intervention identification Comharrachadh eadar-theachd

The Governing Body and Accountable Body will ensure that the Fund can be both strategically aligned and responsive to market opportunities by adopting a combined approach to sourcing intervention proposals. Interventions will address critical funding gaps and advance the Fund objectives. The balance of project identification methodologies is likely to shift over the course of the rNDR Fund and need to respond to the strategic priorities. The Delivery Plan will set out the short-term strategy for project identification to align with the short-term strategy implementation.

## Existing Regional Strategies

Use of established regional plans to identify interventions, leveraging existing resources on economic and regeneration needs and ensuring alignment with broader growth objectives

## Governing Body and Accountable Body-Led Identification

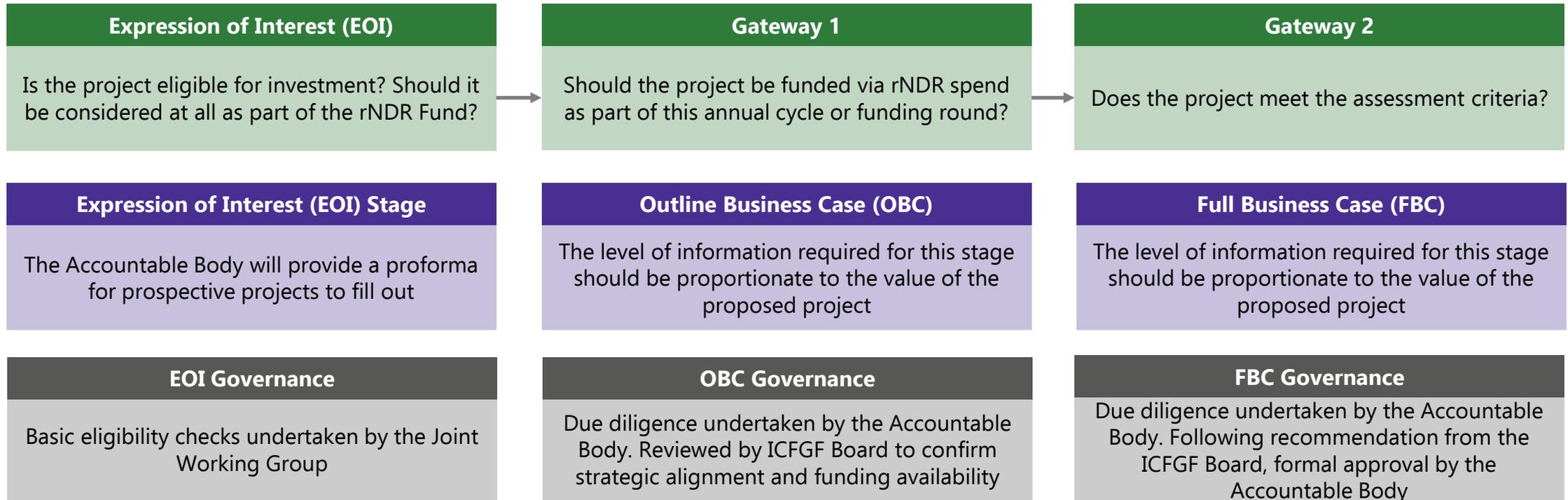
Potential focus areas and interventions identified in the Governing Body and Accountable Body's own strategic documents. Interventions will be developed via proactive identification through consultation with ICFGF partners and external stakeholders, embedding the ICFGF's unique vision and sectoral priorities within the investment selection process, incorporating market intelligence and partner perspectives to identify high-impact, commercially viable opportunities

## Targeted Calls for Projects

To target specific needs, structured calls for projects that may be limited to particular beneficiary groups, sectors, objectives and/or geographies can be used. The Working Group will identify specific needs for rNDR spend based on the performance against the objectives and the balanced of delivery across the region

# Application process **Pròiseas tagraidh**

Applications will follow a three-stage process. All projects will compete an expression of interest (EOI), to confirm eligibility. If the applicant meets the basic eligibility, projects will be invited to complete an outline business case (OBC), which will be reviewed by the ICFGF Board to confirm strategic alignment and funding availability, after which applicants will be invited to complete a full business case (FBC). Both the OBC and FBCs will be proportionate to the value of the funding ask, with a lighter touch process for lower value projects. Templates will be provided by the Accountable Body, who will also undertake due diligence. Recommendations from the ICFGF Board will be taken to the Accountable Body to formally approve, approve with conditions, or reject. The section 95 officer has a right of veto, which can be exercised only when the section 95 officer is of the view that the process outlined in this Investment Plan has not followed correctly, for example if a proper assessment of the investment eligibility criteria has not been carried out and documented.



# Gateway assessment Measadh geata

The expression of interest stage is a series of basic pass/fail criteria which must be met before an applicant is invited to progress to Gateways 1 and 2. Expressions of interest, outline business case and full business case templates will be provided by the Accountable Body.

## Expression of Interest (EOI) Stage

- Is the project within the ICFGF travel to work area?
- Is the scope of the project an eligible investment as defined by ScotGov and UKG?
- Does the project demonstrate alignment with at least one ICFGF investment objective?
- Does the project contribute to the ICFGF's net zero ambitions?
- Is there a clear (emerging) case for the additionality of rNDR funding?
- Does the project have the potential to be mature enough (cost, stakeholders, business case etc) within the short-term?
- Proposed costs and benefits should be included (the project value will determine the application process)

## Gateway 1 Outline Business Case (OBC)

- Does the project align strategically with the ambitions of the Fund?
- Does the project have a positive impact on at least one Fund objective?
- Is funding available within the current funding cycle to fund the proposed project?
- Is a clear case for the additionality of rNDR funding demonstrated?
- Will the project contribute to ICFGF's net zero ambitions?
- Does the project demonstrate value for money when the proposed benefits are compared to its costs? Benefits could include skills development, working age population growth, productivity uplift, reduced carbon emissions, employment unlocked, land value uplift and agglomeration etc

## Gateway 2 Full Business Case (FBC)

- In the assessment, does the project meet the minimum pass criteria for alignment to fund objectives, deliverability, value for money, additionality, and the ability to leverage match funding?
- If the project constitutes subsidy, is there an appropriate scheme which can be used to provide public subsidy?
- Does the proposed procurement comply with relevant procurement regulations?
- Does the organisation pass financial standing tests, and demonstrate they are not in arrears on non-domestic rates?
- Are there any potential impacts on people with protected characteristics and will any associated mitigations be put in place?
- How will the project contribute to community levelling up and just transition?
- How will project promoters comply with Fair Work practices?

# Gateway assessment Measadh geata

Gateway 2 applications will be assessed according to the criteria shown below. The weighting applies only to applications to the Core Investment Programme, where projects are competitively scored against each other.

Criteria	Scope	Strong projects will...	Weak projects will...	Weighting
<b>Alignment to Fund objectives</b>	<ul style="list-style-type: none"> <li>What objectives does the project contribute to?</li> <li>What impact is it likely to have on these objectives?</li> <li>Over what timescale will the benefits be delivered?</li> </ul>	<ul style="list-style-type: none"> <li>Show a clear understanding of Fund objectives</li> <li>Have a direct positive impact on at least one Fund objective</li> <li>Clearly define project outcomes</li> <li>Clearly define the timescale for the delivery of benefits</li> </ul>	<ul style="list-style-type: none"> <li>Not demonstrate a reasonable understanding of Fund objectives</li> <li>Be unclear as to how the project will benefit Fund objectives</li> <li>Not clearly define project outcomes</li> <li>Not clearly define the timescale for the delivery of benefits</li> </ul>	40%
<b>Deliverability</b>	<ul style="list-style-type: none"> <li>How mature is the project proposal?</li> <li>Is there a clear preferred strategy and plan to delivery the project?</li> <li>What are the risks to delivery?</li> </ul>	<ul style="list-style-type: none"> <li>Be realistic and achievable</li> <li>Be clear as to how and when the project will be delivered and by whom</li> <li>Have no significant or unmitigated risks</li> </ul>	<ul style="list-style-type: none"> <li>Be unclear as to what the project will do, who will deliver it, how it will be delivered and by when</li> <li>Have significant or unmitigated risks</li> </ul>	15%
<b>Value for money</b>	<ul style="list-style-type: none"> <li>Does the project demonstrate it delivers value for money for the public purse?</li> </ul>	<ul style="list-style-type: none"> <li>Be realistically costed and affordable</li> <li>Deliver benefits proportionate to the funding ask</li> <li>Address market failure</li> </ul>	<ul style="list-style-type: none"> <li>Be under or over costed, creating a risk to the project and its outcomes/impact</li> <li>Not demonstrate sufficient benefits relative to the funding ask</li> <li>Not clearly address market failure</li> </ul>	15%
<b>Additionality</b>	<ul style="list-style-type: none"> <li>Does the project demonstrate clear additionality for rNDR funding?</li> </ul>	<ul style="list-style-type: none"> <li>Demonstrate that the project would not proceed without rNDR funding, or that it would not proceed at the same scale or within the same timescale</li> </ul>	<ul style="list-style-type: none"> <li>Not demonstrate the need for rNDR funding</li> </ul>	15%
<b>Ability to leverage match funding</b>	<ul style="list-style-type: none"> <li>Can the project leverage in other sources of funding from the public or private sector?</li> </ul>	<ul style="list-style-type: none"> <li>Be match funded by other public or private sources</li> </ul>	<ul style="list-style-type: none"> <li>Not be matched funded</li> </ul>	15%

# Gateway scoring Sgòradh geata

Applications will be assessed against each criteria using the methodology shown below. Applications which receive an “unacceptable” score for any of the assessment criteria will be ineligible to progress.

Score	Description
<b>Excellent (4)</b>	<ul style="list-style-type: none"><li>• Proposal is completely relevant and excellent overall</li><li>• Response is comprehensive, unambiguous and demonstrates a through understanding</li><li>• Response provides details of how the requirement will be met in full</li></ul>
<b>Good (3)</b>	<ul style="list-style-type: none"><li>• Response is relevant and good</li><li>• Response is sufficiently detailed to demonstrate a good understanding and provides details on how the requirements will be fulfilled</li></ul>
<b>Acceptable (2)</b>	<ul style="list-style-type: none"><li>• Response is relevant and acceptable</li><li>• Response addresses a broad understanding of the question but may lack details on how the requirement will be fulfilled</li></ul>
<b>Marginal (1)</b>	<ul style="list-style-type: none"><li>• Response is partially relevant</li><li>• Response addresses some elements of the requirement but contains insufficient or limited detail</li><li>• Response does not demonstrate how the requirement will be fulfilled</li></ul>
<b>Unacceptable (0)</b>	<ul style="list-style-type: none"><li>• Nil or inadequate response</li><li>• Fails to demonstrate an ability to meet the criteria</li></ul>

# Deployment of funds **A' cur mhaoinean an gnìomh**

Once a project has been formally approved by the Accountable Body, the Accountable Body will then:

- Issue a funding agreement, to be signed by the Accountable Body and the recipient of rNDR funding, agreeing the funding allocation and associated benefits that the project will deliver
- Ensure that the organisation is set up as a supplier on the Accountable Body's financial systems
- Provide claim forms to recipients of rNDR funding and process claims for payment, as per the schedule and milestones as agreed in the funding agreement
- Provide quarterly monitoring forms to recipients of rNDR funding and ensure this is completed
- Provide project updates to the Governing Body for the purposes of completing Monitoring and Evaluation returns to ScotGov and UKG

At a programme level, the Accountable Body will maintain a record of:

- Approved capital and revenue expenditure
- Actual drawdowns of capital and revenue expenditure
- Annual net surplus / deficits

# Monitoring and evaluation Sgrùdadh agus measadh

Whilst interventions are active, monitoring should be undertaken quarterly and ensure compliance with the agreed intervention scope and funding conditions/milestones, if applicable. Following the delivery of interventions, information on lessons learned and impact to the Fund objectives is required to be provided.

**Quarterly monitoring** will include reporting on Key Performance Indicators, including as a minimum:

- Use of funds and milestones achieved
- Outputs and outcomes against the Fund objectives
- Compliance with any conditionality around the defrayment of public funds
- Compliance with the terms of any funding agreement entered into
- Delivery against financial forecasts
- Risks and external factors affecting delivery/overall project management

The Accountable Body will develop a standard Monitoring and Evaluation Proforma which will be provided to intervention owners and be required to be submitted to the Accountable Body within one month of the close of each quarter. The individual Key Performance Indicators will be outlined as part of the funding agreement.

The Accountable Body will keep a project dashboard tracking progress across all rNDR Fund interventions. Non-compliance or significant delays may trigger clawback or voluntary repayment of funds.

At **project completion**, Fund recipients will submit an intervention summary, confirming the overall outputs and outcomes against the Fund objectives and any lessons learned. A lessons learned session may be held with the intervention owning organisation following receipt of this information. This will be reviewed on a case-by-case basis and agreed via the Working Group.

Additionally, Fund recipients will undertake to participate in any programme level evaluations undertaken.

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# Governance

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# Riaghlachas

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# Governance framework **Frèam-obrach riaghlachais**

Effective governance is key to the future success of the rNDR Fund. The Governing Body will ensure that the fund is managed transparently, accountably, and in line with the strategic objectives of the rNDR Fund. This Fund governance framework is designed to ensure robust oversight, clear accountability, and effective delivery.

The governance framework will:

- Safeguard public funds and ensure that rNDR use delivers maximum value and impact
- Promote transparency and accountability in decision-making, reporting, and performance management
- Enable inclusive, evidence-based investment decisions that align with the Freeport's objectives
- Balance public and private sector interests through a dual-key approach
- Manage risk proactively and ensure compliance with all statutory, regulatory, and policy requirements

# Stakeholders Luchd-ùidhe

**Highland Council (as Rating Authority):** Collects non-domestic rates from ICFGF tax sites

**Green Freeport Company (as Governing Body):** Responsible for developing the Investment and Delivery Plans and identifying suitable projects

**Green Freeport and Highland Council Joint Working Group:** Responsible for assessing potential projects against eligibility criteria

**Green Freeport Board:** Sets strategic direction and makes recommendations to the Accountable Body on the schemes it considers suitable for funding. Ensures robust governance frameworks are created and upheld

**Highland Council (as Accountable Body):** Responsible for the audit and accounting of NDR. Undertakes due diligence of applicant projects and confirms decisions as to whether to approve or reject applications. Responsible for management and disbursement of funds. Key consultee on development of Investment and Delivery Plans, providing final sign-off

**Scottish and UK Governments:** The Green Freeport Company and the Highland Council are ultimately accountable to Scottish and UK Governments for delivery and performance of the Fund

**Economy and Infrastructure Committee:** Consulted on the development of the Investment and Delivery Plans and kept informed on performance of the Fund

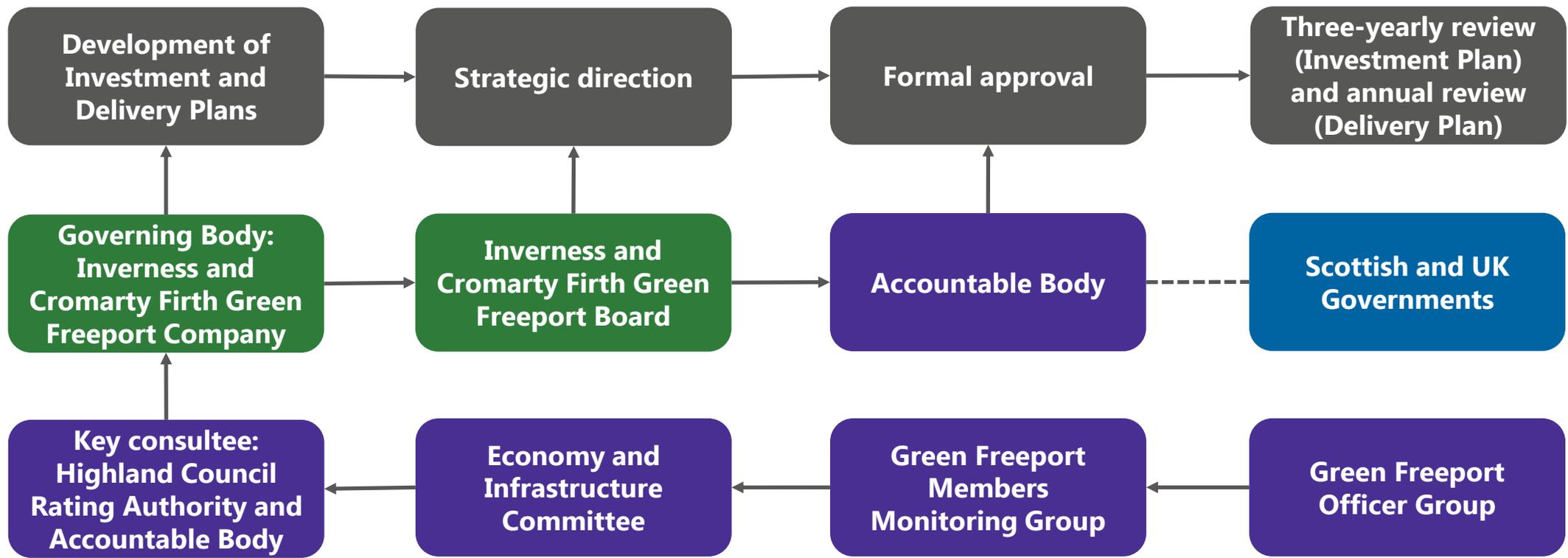
**Members Monitoring Group:** Consulted on the development of the Investment and Delivery Plans and kept informed on performance of the Fund. Accountable to the Economy and Infrastructure Committee

**Officer Group:** Consulted on the development of the Investment and Delivery Plans and kept informed on performance of the Fund. Responsible for ensuring updates are provided to the Members Monitoring Group and the Economy and Infrastructure Committee

# Investment and Delivery Plans

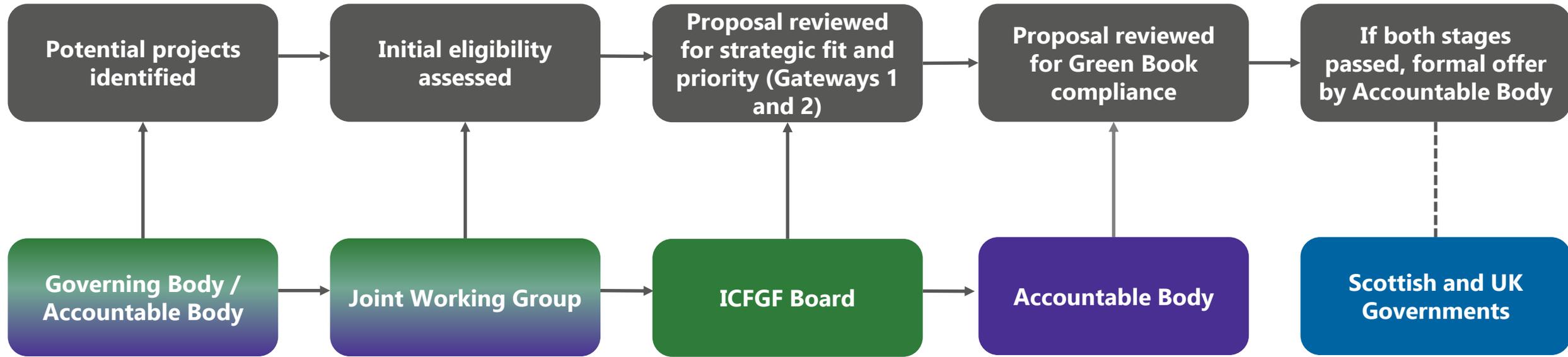
## Planaichean Tasgaidh agus Lìbhrigidh

The diagram below illustrates the proposed relationship of the stakeholders in the governance of Investment and Delivery Plans.



# Application Governance **Riaghlachas Tagraidh**

The diagram below illustrates the proposed relationship of the stakeholders in the application governance.



# Appendix 1: Strategies Eàrr-ràdh 1: Ro-innleachdan

Strategy	Year	Geography	ICFGF alignment	Summary
UK's Modern Industrial Strategy 2025-2035	2025	UK	Productivity and innovation  Skills and employment	Identifies eight priority sectors known as IS-8 that are central to driving future growth, regional development, economic security, resilience and net-zero transition. Net zero transition is described as the "economic opportunity of the century", net zero is a priority across all priority sectors, and Clean Energy Industries is a priority sector in its own right. Skills development is seen as a core enabler for industrial competitiveness, innovation, and decarbonisation across priority sectors
Small Business Strategy	2025	UK	Productivity and innovation	Commits to supporting SMEs to realise the opportunities of net zero, by providing targeted information and advice to support SMEs to decarbonise
UK Trade Strategy	2025	UK	Global trade and investment	Promotes low-carbon exports, clean energy sectors, and aligning trade policy with climate commitments
National Strategy for Economic Transformation 2022-2032	2022	Scotland	Productivity and innovation	Aims to demonstrate global leadership in delivering a just transition to a net zero, nature-positive economy and rebuilding natural capital. One of five policy programmes is to strengthen Scotland's position in new markets and industries, generating new, well-paid jobs from a just transition
Climate Change (Scotland) Act	2009	Scotland	Net zero transition	Sets a legally binding framework for reducing Scotland's greenhouse gas emissions (80% by 2050, compared to 1990 baseline)
Green Industrial Strategy	2024	Scotland	Net zero transition	Focuses on growing Scotland's net zero economy, with five priority areas: maximising the wind economy; growing hydrogen; developing carbon capture, utilisation and storage; supporting green economy professional and financial services; and attracting clean energy intensive industries

# Appendix 1: Strategies Eàrr-ràdh 1: Ro-innleachdan

Strategy	Year	Geography	ICFGF alignment	Summary
Skills Development Scotland Strategic Plan 2022-2027	2022	Scotland	Skills and employment	Emphasises the urgent need for green skills, highlighting projections that demand for green roles will outstrip supply within 5 years. Commits to supporting upskilling and reskilling efforts so that both individuals and businesses can adapt and smoothly transition into green industries
Scotland National Innovation Strategy 2023-2033	2023	Scotland	Productivity and innovation	Identifies energy transition as one of four key priority areas where Scotland aims to become a world-leading innovator, alongside health and life sciences, data and digital technologies, and advanced manufacturing
Scotland's Vision for Trade	2021	Scotland	Global trade and investment	Sets out how, in partnership with businesses, the Scottish Government can create the right trading environment for a wellbeing economy for Scotland. Sets out five trade principles (inclusive growth, wellbeing, sustainability, net zero, and good governance) to underpin trading and investment relationships, including exports, investment and capital
Shaping Scotland's Economy: Inward Investment Plan	2020	Scotland	Global trade and investment	Identifies the transition to net zero as one of Scotland's key economic missions and a major driver for inward investment. Prioritises investment in renewable energy, low-carbon heat, energy storage, and decarbonisation technologies. Aims to leverage inward investment green jobs and develop supply chains for clean energy industries
Scotland: A Trading Nation	2019	Scotland	Global trade and investment	Establishes net zero as one of five foundational principles guiding Scotland's trade policy, alongside inclusive growth, wellbeing, sustainability, and good governance. Commits to partnering with businesses that support the just transition to net zero, ensuring that trade supports climate ambition and a fair economy

# Appendix 1: Strategies Eàrr-ràdh 1: Ro-innleachdan

Strategy	Year	Geography	ICFGF alignment	Summary
Housing to 2040	2021	Scotland	Regeneration	Sets out a target of 100,000 affordable homes by 2032, of which 10% are specifically directed to rural, island and remote areas, to prevent depopulation
Highlands and Islands Regional Economic Strategy 2025-2035	2025	Highlands and Islands	Productivity and innovation	Frames a “just transition to net zero” as a central pillar for regional growth, harnessing opportunities in renewables and natural capital. Maximising the economic and community benefits from renewable energy and driving the region’s move to net zero and climate resilience/adaption is one of six headline goals
Regional Transformational Opportunities in the Highlands and Islands	2025	Highlands and Islands	Productivity and innovation  Net zero transition	Identifies over £100 billion in economic opportunities by 2040, across offshore wind; onshore wind; hydro pumped storage; green hydrogen; marine energy; space; marine biotechnology and processing; life sciences, digital health and social care; natural capital; and critical infrastructure developments. £40.8 billion of the identified opportunities are located within the Highland region
Workforce North: A shared mission to grow and expand our workforce	2025	Highlands and Islands	Skills and employment	Estimates an additional 16,250 people will be required to capitalise on the Regional Transformational Opportunities. With a declining and aging population, Workforce North aims to address the significant workforce challenge through a collaborative co-investment from partners across five workstreams: a schools campaign; expanding experiential career learning; expanding apprenticeships; upskilling and reskilling; and talent attraction and retention
Highlands and Islands Enterprise Strategy 2023-2028	2023	Highlands and Islands	Productivity and innovation	Embeds net zero as a core, cross-cutting priority, with a vision to build a “greener, fairer and more resilient region”, with a strong emphasis on securing economic and community benefit from the transition to net zero

# Appendix 1: Strategies Eàrr-ràdh 1: Ro-innleachdan

Strategy	Year	Geography	ICFGF alignment	Summary
University of Highlands and Islands (UHI) 2030 Strategy	2023	Highlands and Islands	Skills and employment	Identified environmental sustainability as one of its five strategic themes, which sits at the core of UHI's skills planning, shaping curriculum development and workforce training aligned to net zero goals. This involves embedding sustainability across teaching and applied research, designing education pathways tied to employer needs in the emerging green economy, and providing direct skills and apprenticeship programmes linked to workforce demand
ICFGF	2024	Highlands	All	The Full Business Case presented to Governments includes strategies relating to innovation, trade and investment, and skills. These strategies focus on how priorities can be delivered in partnership with existing local ecosystems. The PowerHouse has been established to grow innovation capacity, coordinate support and address training and workforce requirements
Highland Investment Plan	2024	Highlands	Regeneration	Sets out a new approach to sustainable local services and communities, with over £1bn of capital investment in local service provision (including schools and roads) in the first 10 years, explicitly framed around development of communities across Highland
Highland Council Strategic Housing Investment Plan 2025-2030	2025	Highlands	Regeneration	Sets out the region's investment priorities for affordable housing, through which the Council and its partners will plan, prioritise and deliver new homes, aligned with Scottish Government guidance and the Local Housing Strategy
Local and area place plans		Highlands	Regeneration	Highland Council uses a place-based framework, empowering communities across the region



**Thank you Mòran taining**



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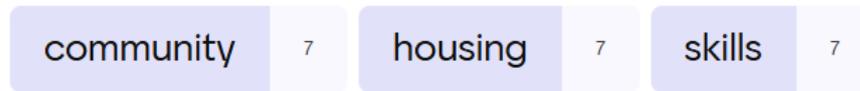
**[www.youtube.com/TheHighlandCouncil](http://www.youtube.com/TheHighlandCouncil)**

**[www.linkedin.com/company/highlandcouncil](http://www.linkedin.com/company/highlandcouncil)**

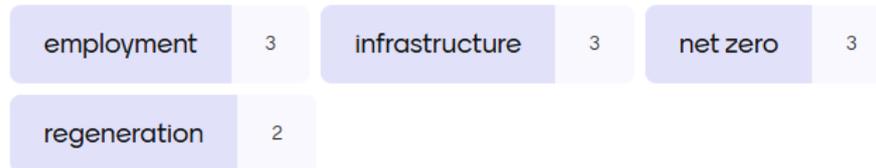
**8** In one word, what do you think the priority of the Investment Fund should be?

**28 / 28** **52**

Most popular



Also prominent



Other responses



**F** Which strategic areas should be priorities in the short-term (years 0-5)?

**23 / 28**

> 1 Skills and employment

> 2 Regeneration

> 3 Productivity and innovation

> 4 Global trade and investment

> 5 Net zero transition

**F** Which strategic areas should be priorities in the medium-term (years 5-10)?

**24 / 28**

> 1 Skills and employment

> 2 Regeneration

> 3 Productivity and innovation

> 4 Global trade and investment

> 5 Net zero transition

**F** Which strategic areas should be priorities in the long-term (years 10-25)?

**24 / 28**

> 1 Skills and employment

> 2 Regeneration

> 3 Productivity and innovation

> 4 Global trade and investment

> 5 Net zero transition

**H** Do you agree that workforce development and housing should be early priorities?

**27 / 28**

> Workforce development



> Housing



Other than workforce development and housing, what do you think should be the other short-term priorities for funding?

27 / 28 46

Most popular

infrastructure 9

Also prominent

roads 5

transport 5

Other responses

- medical services 2
- schools 2
- community benefit 1
- community infrastructure 1
- contingency 1
- cromarty ferry 1
- economic dev 1
- ferry to cromarty 1
- gaelic language 1
- gp doctors care prividm 1
- gp practice enough to coo 1
- health care 1
- healthcare 1
- more housing 1
- net zero 1
- net zero transport 1
- nhs 1
- protect existing assets 1
- rail 1
- research 1
- roads - connect ability - 1
- skills 1
- social care 1
- transmission 1
- transport innovation 1

How do we ensure communities benefit from the investment fund?

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- |   |   |
|---|---|
| sharing   | employability programmes  |
| Local place plans   | Affordable housing, well paid jobs                                    |
| Create community trusts where community groups can fund local plans | communities should be encouraged to share benefits                    |
| Ask them  | Ensure all voices are heard, not just the usual suspects              |
| Have a strategic plan   | GP Practices Care Home places   |
| Has to be an equal share across Highland                            | improved services balanced communities larger workforce               |
| Movers and shakers within communities need to be engaged            | Let them have more autonomy   |
| Align with the Local Place Plan                                     | Direct engagement   |
| Decisions devolved to local community councils                      | Ask impacted communities what they want. e.g. Milnafua Community Hall |

Communication

Put the money direct to Ward Funds. Easy and simple. Also, likely more equitable.

With extra housing should come units for retail, medical/dental, hospitality - ties in with aim for extra working

Communication with communities to let them know what's available

investment fund which can be applied for

Local community group engaged?

Improve Community facilities parks

Keep communities informed. Develop projects with communities.

Protect and enhance quality of life in communities. There are aspects of development that can damage existing assets enjoyed by a community. Collateral damage must be avoided.