

The Highland Council

Agenda Item	10
Report No	ECI/19/26

Committee: Economy and Infrastructure

Date: 28 May 2026

Report Title: UK Shared Prosperity Fund – Delivery Plan Progress Update

Report By: Assistant Chief Executive – Place

1 Purpose/Executive Summary

- 1.1 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.
- 1.2 A listing of all approved projects under the 2025/26 Delivery Plan is provided within Appendix 1, with the report highlighting any projects which have a Red or Amber status, an explanation of that status, and the remedial management action being taken.

2 Recommendations

- 2.1 Members are asked to **note** the 2025/26 UKSPF Delivery Plan progress.

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 30 September 2026 is £2,973,465 (noting the time extension confirmed by UK Government for all Council's announced 17 December 2026).
- 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.

A risk assessment of the programme is included at Section 7 of this report.

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 into 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 as detailed within **Appendix 1**.

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

Impact Assessment Area	Conclusion of Screening
Equality	<ul style="list-style-type: none"> • Children and Young People – <i>Positive</i> • Older Adults - <i>Positive</i> • Disability – <i>Positive</i>
Socio-economic	<i>Positive</i>
Human Rights	<i>Positive</i>
Children’s Rights and Well-being	<i>Positive</i>
Island and Mainland Rural	<i>Positive</i>
Climate Change	<i>Positive</i>
Data Rights	<i>No impact</i>

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 Delivery 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.

On 17 December 2025 UK Government extended the funding period from 31 March 2026 to 30 September 2026. An additional monitoring round will be due November 2026 however no additional funds were allocated. These changes are meant only to allow Local Authorities more flexibility to deal with delays to projects and maximise spend and impact.

6 2025/26 Highland UKSPF Delivery Plan Progress

- 6.1 The 2025/26 Highland UKSPF Delivery Plan is included within **Appendix 2** 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

As reported in the previous quarter, the Wick (Willowbank to Staxigoe) and Dows active travel paths have been completed. In addition, the Mobility Hub Feasibility Report has now been finalised. A small element of the Smithton project is outstanding where the discovery of underground services required additional investigation and mitigation works. This has necessitated a modest increase in budget, secured from funding sources outside of UKSPF. Remedial works are currently underway and are expected to be completed in Q1 2026/27.

- 6.3.2 Aviemore Park & Ride Feasibility Study

As reported to Members in the previous quarter's update, the Aviemore Park and Ride feasibility study has been successfully completed. All claims have been finalised and the agreed outputs fully delivered.

6.3.3 Inverness Campus

During the quarter, key project approvals were progressed. Planning consent was secured, followed by HIE's Board approval of the land transfer, subject to finalisation of Heads of Terms. Also, Stage 1 Building Warrant approval was received. Discussions also commenced with the SFA and Sportscotland regarding the potential use of the pitch by club(s), aligned with a wider review of pitch usage across Inverness. The tender return came in over budget therefore, value-engineering exercises have since been undertaken to reduce costs, and the design team has been instructed to re-tender.

6.4 Community and Places – Thriving Places

6.4.1 Storr Phase 2

The project is progressing to schedule, with construction works relating to the extension and associated groundworks almost complete. Over 90% of funding has been claimed to date, with the final claim planned to align with the public opening, currently scheduled for Q1 2026/27.

6.4.2 Strategic Events Grant Fund

The Strategic Events Grant Fund awarded £75,000 for up to 13 events. The fund was significantly oversubscribed, receiving 37 applications requesting over £260,000. During this quarter's delivery, one event changed in nature and no longer met the fund criteria, and no further grant drawdown was made. As a result, 12 events were completed, generating a revenue underspend of £7,230.94 underspend.

Supported events span music, food, astronomy and Gaelic culture, aligning with priorities around economic impact, community benefit and sustainability. Several events have already been delivered, contributing to regional promotion and extending the visitor season, with all activity completed by the end of March 2026.

6.4.3 Whaligoe Steps

During the quarter, the design phase was completed, and a planning application was submitted. The project team is now working towards submission of the RTIF application in the next quarter, with determination anticipated within the same period.

6.4.4 Ardvreck Castle

Construction works are almost complete and car park due to be open to the public by Q1 2026/27.

6.4.5 Glencoe Village Car Park

During the quarter, land and landowner matters were successfully resolved, bringing the project back on track to complete works within the required claim period. The Scottish Land Court approved a Resumption Order to de-croft the land, and missives have now been concluded for a 50-year lease of the site. Preparation of tender documentation is currently underway.

6.5 Supporting Local Business

6.5.1 Business Start-Up Support and Grants

Business Gateway Highland continues to provide comprehensive support to sole traders and micro and small businesses across the region through its adviser network, complemented by online webinars, website toolkits, podcasts and access to specialist advisers. The fund has supported 528 start-ups up to March 2026, with 383 progressing to trading and 263 start-up grant applications approved to date.

Specialist UKSPF funded adviser support has assisted a further 38 businesses to start up and grow.

6.6 People and Skills - Employability

6.6.1 Specialist Employment Support for People with Disabilities and Long-Term Health Conditions

The project supports individuals with disabilities, long-term health conditions, and those who are long-term unemployed, providing tailored support over a 6–12-month period to help them progress into sustained employment.

As of 31 March 2026, there were 133 active clients receiving support and progressing through their support plans. The project has completed its draw down, utilising an alternative funding source to continue to deliver against its agreed outputs and outcomes and have reported a small underspend at the end of March of £13,243.47.

6.6.2 Highland Employer Charter Digital Platform

The Highland Employer Charter website has now launched, providing a single digital platform to support employer engagement, collaboration and the promotion of good employment practice across Highland.

To date, the Charter has supported eight regional employer events, including the Inverness Spotlight Summit and Workforce North *Call to Action* event. As of 31 March 2026, the Charter has 21 fully awarded members spanning a range of business sizes, sectors and locations across Highland.

6.6.3 Intensive Support to Improve Outcomes for Young People

During the quarter, the project experienced some staffing challenges due to the short-term nature of contracts. Interim solutions are being progressed, including increasing hours for existing part-time staff, alongside early engagement with Third Sector partners to explore additional support.

The project team continues to meet weekly to monitor progress, develop systems, and capture learning. Work on Individual Learning Plans remains ongoing and aligned with the National Youth Work Outcomes and Skills Framework.

Claims are tracking below forecast to achieve full spend within the period; however, Third Sector intervention support has been identified to help mitigate this. Potential partners have been identified, procurement guidance has been reviewed, and initial engagement with providers is underway.

6.7 People and Skills – Skills

6.7.1 UHI Green Skills

The IET Electrical Installation Regulations and Electrical Inspection and Testing courses were delivered this quarter, alongside the BPEC Heat Pump, Unvented Hot Water, and Water Disinfection and Legionella courses.

Investment in AR/VR welding sets is now fully embedded in the curriculum and is being used effectively at external-facing events, including open events for prospective applicants, employers, and schools. Applications for next year's full-time Fabrication and Welding programmes are currently 30% above target.

Designation:	Assistant Chief Executive - Place
Date:	28 April 2026
Author:	Cheryl Townsley, Interim Programme Manager - IHCRD/UKSPF Lynsay Mackay, Project Officer - UKSPF
Background Papers:	None
Appendices:	Appendix 1 – Integrated Impact Assessment Appendix 2 - 2025/26 Highland UKSPF Delivery Plan

Appendix 1 – Integrated Impact Assessment Summary

Following on from the 2022-25 UK Shared Prosperity Fund Delivery Plan, the Highland Council has received a 2025/26 allocation of £3,097,358 which comprises £878,243 Capital and £2,219,116 Revenue.

The 2025/26 Delivery Plan comprises a range of projects geared to delivering positive impacts across the Highland Region, building on the successes of the 2022-25 Plan and intruding new interventions across the Priorities of Communities & Places, Supporting Local Business, and People & Skills.

Equality - positive

Age - there are no anticipated negative impacts.

Disability – it is anticipated that the delivery plan will have a positive impact such as through a project that will deliver specialist employment support for people with disabilities and long-term health conditions.

Gender – there are no anticipated negative impacts.

Socio-Economic – positive

The UKSPF 25/26 delivery plan is an investment programme that provides additionality to the Highland Region, such as support for Active Travel, local economies, visitor management, training and skills development.

Human Rights - positive

The proposal is anticipated to have a positive impact on human rights through the range of interventions within the plan such as Active Travel, training, skills development, and employment support.

Children’s Rights and Wellbeing - positive

The proposed plan is anticipated to have a positive impact such as through a project that will deliver intensive support to improve outcomes for young people.

Island and Rural - positive

The proposal should have a positive impact upon rural communities such as through projects that will improve Active Travel provision and visitor management.

Data Rights – no impact

There are no anticipated negative impacts.

Climate Change - positive

The proposal should have a positive impact such as through projects that will improve Active Travel provision.

Appendix 2 – 2025/26 Highland UKSPF Delivery Plan

UKSPF Priority	UKSPF Sub Theme	Project title	Description	UKSPF Capital	USPPF Revenue
Community & Places (£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	£20,941
		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.		£67,769
		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.		£29,900		
People & Skills (£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"> • Solar PV and battery storage training provision • Fabrication & welding training using AR/VR technology • Green skills training across a range of disciplines 	£160,800	£65,000
Supporting Local Business (£400,665)	Advice and support to business	Business Start-up Support & Grants	To provide business start-up support and growth grants through Business Gateway.		£412,055
Total: £2,973,465				£1,722,800	£1,250,665

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.