The Highland Council

Agenda Item	**16**
Report No	**ECI/49/26**

Committee: **Economy and Infrastructure**

Date: **12 November 2026**

Report Title: **Flood Risk Management – 2026/27 Scottish Government Capital Funding Allocation**

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

1 Purpose/Executive Summary

1.1 This report informs Members of the level of Scottish Government Capital Funding received this financial year for Flood Risk Management-related work and seeks endorsement for how the funding is proposed to be allocated against project priorities from The Councils Flood Risk Management Plans.

1.2 An increase in the annual settlement for flood funding to the sum of £3.413m has been allocated tor The Council by Scottish Government to deliver actions in line with the Council's Flood Risk Management Plans. This figure has increased from a previous year's allocation of £0.69m. The funding has been allocated this financial year 2026/27 for eligible activities. However, the funding is not limited to only being spent in any one financial year and can be rolled over into future financial years. It is proposed that this years increased allocation will be utilised through both 2026/27 and 2027/28.

2 Recommendations

2.1 Members are asked to:-

i. **Note** the level of additional capital allocations received this financial year; and
ii. **Agree** the proposed measures for utilising that additional allocation;

3 Implications

3.1 **Resource** – The Flood Team will manage the effective utilisation of this funding through existing resources within the team, including recruiting to an existing vacant post, augmented by external consultant resource procured through Lot 5 of the latest Engineering and Technical Consultancy 1025 Scotland Excel Framework. The current vacant post intended to be recruited to would be solely funded through the capital allocation.

3.2 **Legal** – There are no direct legal implications arising from this report.

3.3 **Risk** – The failure to progress flooding-related studies and designs through the funding made available could limit The Highland Councils ability to secure further funding towards the procurement and delivery of future flood management and prevention schemes.

3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – There are no direct health and safety implications arising from this report.

3.5 **Gaelic** – There are no Gaelic implications arising from this report.

4 Impacts

4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 Integrated Impact Assessment - Summary

4.3.1 An Integrated Impact Assessment screening was undertaken in September 2026. The conclusions have been subject to the relevant Manager Review and Approval.

4.3.2 The Screening process has concluded that there should be an overall positive impact to Equalities, Poverty, Human and Children's Rights and Wellbeing, with no full impact assessment required for such matters. An overall positive impact is also predicted for Climate Change. There are no Data Protection issues and minor differences are forecast for Island and Mainline Rural Communities. Members are asked to consider the summary within **Appendix 1** to support the decision-making process.

4.3.3

Impact Assessment Area	**Conclusion of Screening**
Equality	Positive
Socio-economic	Positive
Human Rights	Positive
Children's Rights and Wellbeing	Positive
Island and Mainland Rural	Neutral
Climate Change	Positive
Data Rights	Neutral

5 Budget Background

5.1 The Scottish Government letter dated 12 May 2026 provided within **Appendix 2** clarifies the mechanism that has been used to distribute the Scotland-wide £42m of funding for flood resilience activities in the 2026/27 financial year.

5.2 The process used, which was agreed between Government Ministers and COSLA Leaders on 24 April 2026, applied a proportional distribution of the funding based on SEPA's 2025 Annual Average Damage figures for each authority area. This resulted in The Highland Council receiving the highest overall proportion (8.2%) of any authority in Scotland, which equates to £3.413m budget allocation.

5.3 £2.723m from that £3.413m budget allocation is what has been designated as additional capital funding available to the Council for Flood Protection General activities. The remainder of this paper and **Appendix 3** sets out the intentions for how that funding will be utilised.

6 Allocation of Additional Funding

6.1 The eligible activities for utilising the available £2.723m additional capital funding include the following, taken from the Council's Flood Risk Management Plans and restated in the Scottish Government letter within **Appendix 2**:-

- Low-cost flood protection schemes that are shovel ready;
- Capital maintenance;
- Coastal flood resilience;
- Nature based solutions to flood management;
- Property flood resilience measures;
- Blue-green infrastructure;
- Community flood warning systems;
- Demountable defences; and
- Modelling and other updates for proposed schemes that have been placed in categories 1 to 3 [That is Preferred Option Flood Schemes submitted to Scottish Government for national prioritisation in 2019 and whose Benefit Cost Ratio was greater than 1].

6.2 The breakdown of the overall Flood Risk Management Capital Budget Allocation for this financial year has been set out within the table in **Appendix 3**. The proposals for utilising the available £2.723m of additional capital allocation is set out within the blue-highlighted cells of the table covering financial years 2026/27 & 2027/28. **Appendix 4** provides more detail on each of the schemes, and particularly the significant work being taken forward in Dingwall and Golspie.

6.3 A review of the Cycle 2 Flood Risk Management Plans has been undertaken to inform the schemes and studies that have been proposed to make use of the additional capital allocation. We have also made use of the eligible criteria for 'Property Flood Resilience Measures' and 'Capital Maintenance' for intended spend proposed in Avoch (Mansfield Place and Old Manse Burn) and the South West Inverness Flood Relief Channel.

6.4 The Highland Council has been successful in the implementation of all of our cycle 1 schemes from our flood risk management plans. This additional funding will allow progress on the actions within our cycle 2 programme. The development of scheme designs and bringing previous studies up to date should put Highland Council schemes in the best possible position to attract future Scottish Government grant funding as and when future funding rounds are launched.

6.5 The Scottish Government require a single page report in February 2027 to outline how the Council has spent or is due to spend the funding on eligible activities. The funding letter included in **Appendix 2** includes the required one-page reporting template.

Designation:	Assistant Chief Executive - Place
Date:	6 October 2026
Author:	Mark Clough, Principal Engineer 2 Flood Risk Management Team
Background Papers:	Within Appendices
Appendices:	Appendix 1 – Integrated Impact Assessment Appendix 2 – Scottish Government Letter 12 May 2026 Appendix 3 – Proposed Budget Breakdown Appendix 4 – Scheme Descriptions

Integrated Impact Assessment Screening

About proposal

What does this proposal relate to? Service plan or programme

Proposal name: Flood Risk Management - Scottish Government Capital Funding

High level summary of the proposal: Proposals for utilising capital funding allocations made from Scottish Government towards the development and delivery of flood risk management priorities.

Who may be affected by the proposal? All Highland Council residents in the vicinity of flood risk management proposals

Start date of proposal: 12/05/2026

End date of proposal: 31/03/2028

Does this proposal result in a change or impact to one or more Council service? No

Does this relate to an existing proposal? Yes

Provide details of the existing proposal: The current Flood Risk Management Plans covering the Highland area

Author details

Name: Mark Clough

Job title: Principal Engineer

Email address: mark.clough@highland.gov.uk

Service: Place

Responsible officer details

Name: Garry Smith

Job title: Service Lead

Email address: Garry.Smith@highland.gov.uk

Sign off date: 2026-09-29

Equalities, poverty, and human rights

Protected characteristics

Select what impact the proposal will have on the following protected characteristics:

Sex: No impact

Age: Positive

Disability: Positive

Religion or belief: No impact

Race: No impact

Sexual orientation: No impact

Gender reassignment: No impact

Pregnancy and maternity: Positive

Marriage and civil partnership: No impact

Protected characteristics impact details: This proposal should have a positive impact for any age, disability or pregnancy and maternity in the areas benefitting from investment in ongoing flood resilience. The work aims to determine and where appropriate deliver improved flood resilience to the propose communities being reviewed. This will directly benefit individuals and properties whilst also enabling continued access to critical infrastructure, services and facilities such as roads, railways, schools, medical and community facilities, shops etc. It should also enable communities to better prepare themselves for the impacts of storm events that could lead to flooding. Without such activity, the proposed communities could experience worsening ongoing impacts as the worsening effects of climate change begin to be realised.

Poverty and socio-economic

What impact is the proposal likely to have on the following?

Prospects and opportunities: Positive

Places: Positive

Financial: Positive

Poverty and socio-economic impact details: By providing greater resilience to flooding events, the impacts on poverty and socio-economic factors will be improved by helping to reduce the disruption that could occur to communities as a result of such events. Greater flood resilience will allow communities to better continue accessing schools, medical and community facilities, shops and transport networks. It should also provide greater resilience to local business operations by reducing the likelihood of disruption from flood events.

Human rights

Which of the below human rights will be affected by this proposal?Article 10: Freedom of expression

What impact do you consider this proposal to have on the human rights of people? Positive

Human rights impact details: By providing greater resilience to flooding events, the ability of communities to travel to public meetings to exercise their freedom of expression, or to attend educational facilities . Also, greater flood resilience should offer enhanced protections to individual properties from such events.

Equalities, poverty and human rights screening assessment

What impact do you think there will be to equalities, poverty and human rights? Positive impact

Is a Full Impact Assessment required? No

Children's rights and wellbeing

What likely impact will the proposal have on children and young people? By providing communities with greater resilience to flood events, childrens rights and wellbeing should be enhanced through less disruption to accessing education and sports, play and community facilities, plus medical and retail centres. Children should also experience less disruption from flooding events when utilising local transport networks.

Which of the below children's rights will be affected by the proposal? You are working in the best interests of the child (Article 3), Children have a standard of living that is good enough to meet their physical and social needs and support their development (Article 27), Children have a right to education (Article 28)

Explain how the children's rights selected above will be affected: By providing communities with greater resilience to flood events, childrens rights to accessing education and sports, play and community facilities, plus medical and retail centres should be enhanced.

Children's rights and wellbeing screening assessment

What impact do you think there will be to children's rights and wellbeing? Positive impact

Is a Full Impact Assessment required? No

Data protection

Will your proposal involve processing personal data? No

Data protection screening assessment

What change will there be to the way personal data is processed? No personal data will be processed

Is a Full Impact Assessment required? No

Island and mainland rural communities

Does your proposal impact island and mainland rural communities? Yes

Could people in island and mainland rural communities be affected differently? Yes

How could the impact differ? Coastal communities will be directly impacted by erosion, flooding increased sea level rise etc., whereas mainland rural communities could be indirectly impacted through loss of e.g. transport infrastructure. By making our coastal locations more resilient and adaptive to climate change it will reduce direct impacts on coastal communities, such as loss of property, land etc. and for mainland communities indirect impacts could be reduced where infrastructure such as roads and utilities are adapted to become more resilient to change over time.

Have any negative impacts been identified? No

Island and mainland rural communities screening assessment

What impact do you think there will be to island and mainland rural communities? Minor differences

Is a Full Impact Assessment required? No

Climate change

Does the proposal involve activities that could impact on greenhouse gas emissions (CO2e)? No

Does the proposal have the potential to affect the environment, wildlife or biodiversity? Yes

Does the proposal have the potential to influence resilience to extreme weather or changing climate? Yes

Provide information regarding your selection above: Positive impact on climate change can be achieved through this programme by enabling communities, infrastructure, environment to adapt and become more resilient to change. Using the natural environment and habitats to help reduce the impacts of coastal erosion and flood risk, to encourage development and protection of existing habitats, reducing repairs to infrastructure, homes and businesses can all help in becoming more adaptive, resilient and sustainable to climate change.
Such an adaptive response to climate change, which embraces more nature based solutions, where appropriate, will help build resilience to climate change, and could potentially result in increased opportunities for carbon sinks, whilst improving biodiversity and improving marine habitats.

Climate change screening assessment

Have you identified potential impact for any of the areas above or marked any as not known? Yes

Is a Full Impact Assessment required? Yes

Environment and Forestry Directorate
Environmental Quality and Resilience Division

Scottish Government
Riaghaltas na h-Alba

12 May 2026

Dear Director of Finance,

I am writing to confirm that Ministers and COSLA Leaders have reached agreement regarding the distribution of £42 million of funding for flood resilience activities for the 2026/27 financial year.

Distribution
£42 million will be distributed to local authorities using Annual Average Damage(AAD) figures from SEPA's 2025 National Flood Risk Assessment, with a minimum distribution of £330,000.

This means that every local authority will see an increase in the flexible funding available to deliver actions in line with your Flood Risk Management Plans, and the National Flood Resilience Strategy.

This new distribution arrangement for FY 26/27 was agreed by Scottish Government and COSLA leaders on 24 April 2026 following their agreement to cost controls on the 2015 flood protection scheme programme in January 2026.

Annex A sets out further details on the distribution of this funding per local authority.

Eligible activities
Eligible activities include those identified in 2022 Flood Risk Management Plans, for example:

- Low-cost flood protection schemes that are shovel ready
- Capital maintenance
- Coastal flood resilience
- Nature based solutions to flood management
- Property flood resilience measures
- Blue-green infrastructure
- Community flood warning systems
- Demountable defences
- Modelling and other updates for proposed schemes that have been placed in categories 1 to 3.

Reporting Requirements
The expectation is that each local authority will produce a one page report on how the funding has been/ is due to be spent, by the end February 2027. It should outline:

- the location(s) of flood resilience activity,
- the type(s) of flood resilience activity,
- the cost of the activity
- the benefits of the activity, for example number of properties with improved protection, other benefits.

This reporting will provide a national indication of need across a range of flood resilience actions to inform future funding decisions. A reporting template is provided in Annex B.

We are pleased to be able to share this opportunity to support communities most at risk of flooding and contribute to the development of more flood-resilient places.

Yours sincerely,

Anne Aitken
Deputy Director, Environment Quality and Resilience Division.
Scottish Government

Annex A – Funding per local authority

Local Authority	Share of AADs	Distribution (£m)
Aberdeen City	3.8%	1.576
Aberdeenshire	5.7%	2.380
Angus	2.2%	0.930
Argyll & Bute	4.5%	1.876
City of Edinburgh	5.1%	2.118
Clackmannanshire	1.0%	0.423
Dumfries & Galloway	7.9%	3.296
Dundee City	1.4%	0.603
East Ayrshire	2.0%	0.834
East Dunbartonshire	1.2%	0.495
East Lothian	1.9%	0.777
East Renfrewshire	0.9%	0.355
Falkirk	3.0%	1.231
Fife	4.9%	2.031
Glasgow City	6.9%	2.887
Highland	8.2%	3.413
Inverclyde	1.0%	0.436
Midlothian	0.5%	0.330
Moray	2.8%	1.159
Eilean Siar	0.4%	0.330
North Ayrshire	2.4%	0.994
North Lanarkshire	3.2%	1.329
Orkney	0.7%	0.330
Perth & Kinross	4.9%	2.034
Renfrewshire	3.6%	1.496
Scottish Borders	5.5%	2.303
Shetland	0.5%	0.330
South Ayrshire	1.6%	0.685
South Lanarkshire	3.6%	1.498
Stirling	2.5%	1.033
West Dunbartonshire	4.7%	1.967
West Lothian	1.3%	0.521
Scotland	**100.000%**	**42.000**

Annex B – Reporting template (to be completed by end February 2027)

Name of local authority:
Total funding spent on flood resilience activities:
Key contact:

Summary of activities and spend (complete relevant columns per activity)

PVA / location / community	Type of FRMP activity (e.g. PFR, FPS, NFM, etc.)	How activity has been funded			Benefits		Other partners	Activity wholly or partially delivered in FY 26/27
		Flood funding	Council funding	Other funding	# properties with improved protection	Other		

What types of flood resilience activities would you like to deliver more of in future years?

Is flexible funding, or funding for specific projects more helpful?

Additional comments

Flood Team Capital Budget

FLOODING PROJECT	Activities	26/27 £'000 BUDGET	27/28 £'000 BUDGET	28/29 £'000 BUDGET	29/30 £'000 BUDGET	30/31 £'000 BUDGET
Surface Water Management Plans	Alma Burn, Fort William - Improved screen inlet and culvert arrangement. Investigations, CCTV and small improvements in Dingwall and Fort William centre.	150	52	55	55	55
Coastal Flood Protection Studies	Progress structural and ground investigations at Golspie	154	57	60	60	60
Coastal Change Management	CCAP, Local CCAPs, Golspie Pier Case Study, Nairn Beach Recharge Case Study - See table below	861				
Flood Risk Management Act	Ongoing FRM Act duties, with increased team size so expect cost increases.	347	294	305	305	305
Flood Protection General	Additional SG budget for current year. See table below for proposed spend.	2,723				
River Peffery Dingwall Business Park	High level review Preferred Options form 2019	60				
Caol & Lochyside FPS		210				
River Nairn & Auldearn Burn FPS	Gabion Basket repairs	30	-	-		
River Gynack FPS	Small river bank improvements on vegetation to reduce debris loading	9	-	-		
South West Inverness Flood Relief Channel	Holm Burn sediment clearance.	-6	-	-		
Total		**4,538**	**403**	**420**	**420**	**420**

Coastal Change Management (funded separately from Scottish government CCA Fund)

Coastal Paths	Case Study delivered by Phil Waite, Access Officer	195				
Coastal Change Management (Other, incl Avoch)	Easter Ross Peninsula Local CCAP. Avoch Local CCAP.	304	-	-		
Golspie Pier/Beach Groyne Adaptation	Golspie pier/groyne through Golspie Flood Action Group	100				
Nairn Dune Protection by Beach Recharge	JBA contract for Beach Recharge project.	262				
Total		**861**	**-**	**-**	**-**	**-**

Allocation of the additional £2.723M, spread over 2 financial years

Golspie Flood Protection Scheme	Review hydraulic modelling (£50k) Revise Preferred Options form 2019 (£50k) Outline Design (£150k) Detailed Design (£250k) Property Flood Resilience Pilot (£175k)	100	575
River Peffery Flood Protection Scheme	Review hydraulic modelling to include recent NFM (£75k) Revise Preferred Options form 2019 (£75k) Outline Design (£150k) Detailed Design (£250k)	150	400
Mill Burn (Inverness) Flood Protection Scheme	Review hydraulic modelling (£50k) Revise Preferred Options form 2019 (£50k) Outline Design (£150k) Property Flood Resilience Pilot (£175k)	100	325
River Nairn Flood Protection Study	Options appraisal (£150k) Outline design (£150k)	150	150
Avoch Flood Protection Study	Flood Risk Assessment (£100k) Options Appraisal (£150k)	100	150
Avoch Mannsfield Place and The Old Manse Burn Flood Protection Scheme	Design and deliver new cut-off ditch/swale south of Mannsfield Place (£150k) Clear and inspect existing Old Manse Burn culvert through primary school playing fields (£50k) Review options for rerouting and renaturalisation of Old Manse Burn into Avoch Burn (£100k)	200	100
South Kessock Flood Protection Study	Flood Risk Assessment (£100k)		100
South West Inverness Flood Relief Channel	Holm Burn & Flood Relief Channel capital maintenance sediment & vegetation clearance.	123	-
Total		**923**	**1,800**

Total for 26/27 & 27/28 (without carry forward) **2,723**

Appendix 4 Scheme Descriptions

Golspie Flood Protection Scheme	• Golspie currently suffers from a combination of coastal and surface water / small watercourse flooding issues.
	• Both impacts will be exacerbated by predicted future climate change influences, particularly coastal impacts.
	• Proposals include:-
	  • Developing designs for a new coastal sea wall and reinstatement of a historic damaged breakwater to provide additional protections from coastal ingress, whilst also enhancing the existing public seafront promenade.
	  • A review of wider surface water and small watercourse flood management issues and the development of appropriate designs to support the flood resilience of the wider town.
	  • Establishment of a pilot for the implementation of property-specific local flood resilience measures for those properties remaining at risk of flooding.

River Peffery Flood Protection Scheme	• The town of Dingwall and the numerous small communities and businesses between it and Strathpeffer currently suffer from flooding of the River Peffery.
	• Some river renaturalisation works, funded through Nature Scots Nature Restoration Fund, were undertaken that should offer some localised improvements. However, it is anticipated that additional measures will be required to support more resilient and widespread protections going forward.
	• This proposal will:-
	  • Determine the forecast benefits of the completed river renaturalisation works.
	  • Identify the locations and nature of residual flooding risks
	  • Develop suitable mitigation designs for providing enhanced protections going forward.

Mill Burn (Inverness) Flood Protection Scheme	• Mill Burn has an extensive influence across Inverness including existing and new residential and commercial sites in Milton of Leys through to commercial sites and key infrastructure off Diriebught Road, Millburn Road and Harbour Road.
	• Previous design work was unsuccessful in securing Scottish Government funding towards proposed flood remedial works.
	• This proposal will:-
	  • Review and update previous work with the most up-to-date flooding forecasts.
	  • Determine the locations and types of required remedial measures that would best tackle identified flooding issues.
	  • Develop those designs and business cases.
	  • Where viable protections cannot be secured, establish a pilot for the implementation of property-specific local flood resilience measures.

River Nairn Flood Protection Study	• Large parts of Nairn suffer from river flooding that is forecast to worsen with predicted climate influences.
	• The Nairn Improvement Community Enterprise (NICE) is also progressing a Nairn Riverside Development Plan aiming to enhance the facilities and natural environment along the river.
	• This study proposal will:-
	  • Appraise options for improved river management to help mitigate future flooding
	  • These will be developed in the context of wider local stakeholder aspirations for the future of the river.
	  • Progress those designs and business cases.

Avoch Flood Protection Study	• Avoch currently suffers from both coastal and river flooding that is forecast to worsen with predicted climate influences.
	• Also, initial investigations have concluded that the shoreline protecting Avoch is forecast to suffer increased coastal erosion as storm intensities and frequencies worsen.
	• This study proposal will:-
	  • Quantify the predicted future coastal and river flooding risks
	  • Appraise options for mitigating those impacts to determine the most appropriate solutions

Avoch Mannsfield Place and Old Manse Burn Flood Protection Scheme	• In addition to the above, existing surface water flooding impacts have been recorded to some existing properties within the Mannsfield Place residential development in Avoch.
	• Those impacts then continue onto the A832 main access road to Avoch, Fortrose and Rosemarkie and the existing bus drop-off area and connecting footpath for Avoch Primary School.
	• In addition, CCTV surveys have identified a culverted section of Old Manse Burn running adjacent to the primary school playing fields and the village community centre that is severely restricted by silts and gravels.
	• This proposal aims to:-
	  • Implement a scheme that will collect and divert surface water run-off away from Mannsfield Place into Old Manse Burn.
	  • Clear out the restricted culvert to cater for such flows.
	  • Investigate the potential to divert Old Manse Burn away from the culvert via a new open watercourse into Avoch Burn

South Kessock Flood Protection Study	• South Kessock is an area exposed to potential coastal and river flooding that contains many residential and commercial properties. • This initial phase study will assess the future flooding risks in the area to inform where and what protections may be required. • The intention would be to build on that in future years with mitigation option appraisal, selection of preferred options, detailed designs and business case development.

South West Inverness Flood Relief Channel	• The Flood Relief Channel is an existing recognised formal flood asset that has been operating for over a decade.
	• During that time, sections of the channel and the Holm Burn that it discharges into will develop build-ups of debris and vegetation growth that, if not resolved, could impact on the performance of the scheme going forward.
	• This proposal aims to:-
	  • Undertake works to maintain the ongoing resilience of the scheme by clearing unwanted debris and vegetation growth.
	  • Install flow monitors to determine the ongoing level of flow in Holm Burn that the flood relief channel contributes.
	  • Review structures and other key infrastructure to determine future resilience work requirements.