

The Highland Council

Agenda Item	17
Report No	HP/14/25

Committee: Housing & Property Committee

Date: 29 January 2025

Report Title: Delivery Plan Budget Monitoring & Progress Update – Portfolio: Reconfiguring our Asset Base

Report By: Assistant Chief Executive - Place

1. Purpose/Executive Summary

1.1 The Delivery Plan 2024-27 consists of 64 projects/programmes, managed through 6 Portfolio Boards. Each project is reported to a relevant committee for consideration and scrutiny in terms of the Portfolio Reporting Cycle agreed at Council on 9 May 2024. Exceptions to this general rule may apply when for example circumstances merit a standalone project/programme report to either committee or council. If exceptions apply this report will signpost to where the relevant reporting can be found.

1.2 This report provides financial, performance, risk, and general information on the following Delivery Plan projects/Programme:

- **Project:** Housing Void-Plus Policy
- **Project:** Net Zero, Energy, Investment & Innovation Portfolio - Energy Estate - Programme: Solar PV Council Estate
- **Project:** Net Zero, Energy, Investment & Innovation Portfolio - Energy Estate - - Energy Efficient Council

Members are asked to note that an update on the New Area Community Hubs Delivery Plan project was provided to Council in December.

1.3 The content and structure of the report is intended to:

- assist Member scrutiny and performance management
- inform decision making and aid continuous improvement, and
- provide transparency and accessibility.

2. Recommendations

2.1 Members are asked to:

- i. **NOTE** the implementation of the new Void-Plus Policy which is designed to assist the re-letting of void Council houses in Caithness.

- ii. **NOTE** the progress provided in the Energy Estate Programme and Project updates in this report

3. Implications

- 3.1 **Resource** – Resource implications are highlighted in the report below.
- 3.2 **Legal** - This report contributes to the Council’s statutory duties to report performance and secure best value in terms of; Section 1(1)(a) of the Local Government Act 1992, and Section 1 of the Local Government in Scotland Act 2003, respectively.
- 3.3 **Risk** - There are no risk implications arising as a direct result of this report. Project/Programme risks are identified via the council risk management process and monitored through the Portfolio Boards and are reported by exception only in paragraph 7.4.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** - An inspection programme of existing PV assets has been underway to check that systems are operational safe to operate, thereby improving H&S compliance.
- 3.5 **Gaelic** – no implications.

4. Impacts

- 4.1 In Highland, all policies, strategies, or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children’s Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.
- 4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.
- 4.3 This is a monitoring and update report and therefore an impact assessment is not required.

5. Highland Investment Plan - Housing Void-Plus Policy

- 5.1 The Void-Plus Policy is designed to help create sustainable tenancies in parts of Caithness where there has been difficulty in re-letting void Council housing. It involves an enhanced decorative standard at the void stage to encourage applicants to bid for these houses as part of the Caithness Choice-Based Letting process.

As per the update provided in the PRMS system, the current RAG status of this project is green.

Reason for Project RAG Rating and Corrective Action:

M9 24/25



This project continues to be Ragged as green because the policy is implemented and a further additional painter position has been created and is awaiting advertisement to allow for broader application of Void Plus works. Identification of further properties suitable for Void Plus works is ongoing.

5.2 Key Milestones & Measures of Success

The key milestones for this project as established in PRMS are as follows:

MILESTONES		CURRENT STATUS
<i>Starts April 24; Completes July 24</i>	Void-Plus Policy: New policy approved	M4 24/25 Completed
<i>Starts Apr24 / Completes Aug24</i>	Void-Plus Policy: New policy deployed; targets for specific properties	M5 24/25 Completed
<i>Starts Jan25 / Completes Mar25</i>	Void-Plus Policy: Report on progress	M10 24/25 On Target

- 5.3 In July 2024, the Housing Management Team approved the identification of properties where additional incentives for re-letting may be required. This consists of streets which have experienced a low demand from applicants or where applicants with housing need have refused an offer of housing in order to await a future offer elsewhere.
- 5.4 The Policy commenced in October 2024, following the recruitment of a painter vacancy in the local Building Maintenance Team. Following a review of Building Maintenance capacity – including existing commitments to deliver repairs in Council houses – an additional painter post was approved in December 2024. This will enable the local team to have capacity to increase the number of Void-Plus houses from February 2025.
- 5.5 To date, 8 houses have had Void-Plus works carried out. This reflects the relative low numbers of “new” void houses, but also the recent agreement with SSEN to lease 18 houses which would otherwise have had Void-Plus works delivered. These houses will be leased to SSEN in Spring 2025, and all will comply with the Void-Plus standard.
- 5.6 The allocation details of the houses which have had Void-Plus works in the period to 31 December 2024 are provided below. The first 4 properties were re-advertised following the offer of Void-Plus works. The initial results seem to indicate that Void-Plus works attract applicants in greater housing need (i.e. higher housing points) and minimise the impact of offers being refused and/or bids from applicants in limited housing need (i.e. with 0-40 housing points).
- 5.7 Members are asked to note that due to area-specific low demand issues, a choice-based letting scheme currently applies in Caithness. In Caithness, housing applicants can register an interest (also known as a ‘bid’) in a property and will be considered for allocation to that property.

	Points of highest bidder before Void+	Points of highest bidder after Void+
Property 1	0 points	72 points
Property 2	40 points	60 points
Property 3	20 points	70 points
Property 4	40 points	70 points
Property 5	Not applicable	Designated as temporary furnished accommodation
Property 6	Not applicable	76 points
Property 7	Not applicable	80 points
Property 8	Not applicable	80 points

- 5.8 The local Housing team have spoken with 4 of the new tenants as part of the standard settling-in visit. All 4 have advised that they are satisfied with the quality of their new homes.
- 5.9 **Appendix 1** provides photos of one of the above properties. As shown in the photograph, investment in the property in question also included a new kitchen and bathroom.
- 5.10 Measures of Success set up in PRMS are as follows but it is too early to strategically assess performance against the policy measures of success, namely a reduction in average re-let times; a reduction in void rental loss; and improved neighbourhood benefits due to houses not left unoccupied for lengthy periods.

MEASURES OF SUCCESS

Void-Plus Policy: Reduce % rent lost to void properties [Caithness]
Void-Plus Policy: Time taken to re-let properties [Caithness]
Void-Plus Policy: Improved new tenant satisfaction [Caithness]
Void-Plus Policy: Improved neighbourhood benefits

5.11 Financial Summary

There is no budget allocated to this project and there are no associated financial indicators in terms of savings, income generation or investment. Monitoring of the Caithness Area maintenance budget will continue on an ongoing basis to assess the costs incurred through delivery of the Void-Plus Policy.

5.12 Key Risks

The following Key risks have been identified for the project and have been set up in PRMS with associated Risk Actions as treatment.

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
Housing Void-Plus Policy: Trades Capacity	2	Treat
Housing Void-Plus Policy: Prospective Applicant Refusal	6	Treat

The associated Risk actions are as follows:

Risk Action	RAG Status
Housing Void-Plus Policy: Communicate new improved standards	GREEN
This risk action is Ragged as green because although communication or a press release has not happened as yet, this is due to the requirement to allow time for the policy that has been implemented to bed and to ensure it is working effectively.	
Housing Void-Plus Policy: Increase Trade Capacity	AMBER
This risk action is Ragged as amber because there is some slippage in appointing a further additional painter. The post is approved and awaiting advertisement, but it is unlikely that an appointment will be completed before the end of January and is likely to occur in February 2025.	

5.13 Forward Plan

The Caithness Team intend to increase the number of Void-Plus properties in scope following the recruitment of the additional painter resource in February 2025 however this is dependent upon tenancy turnover rates.

6. Energy Efficient Council Programme

6.1 Overall Project RAG Status

This programme is currently ragged as Amber in PRMS as per the extract below.

Reason for Project RAG Rating and Corrective Action:

M9 24/25

Staff recruitment ongoing, but resource now also covering Solar PV workload. 34 surveys completed, 4 draft reports under review, 4 completed. Engagement with sites and internal services ongoing. Feedback from other services with respect to prioritisation of sites/projects ongoing, but not impacting on delivery

○ R
● A
○ G
○ C

This programme is ragged amber due to requirement for staff resource to cover additional workstreams elsewhere within the wider team, e.g. resource now also covering Solar PV workload. Staff recruitment ongoing, but not yet achieved.

6.2 Key Milestones & Measures of Success

The Key Milestones that have been set up in PRMS for this programme are as follows:

MILESTONES		CURRENT STATUS
<i>Starts Apr24 / Completes Aug24</i>	Energy Efficient Council Programme: Plan agreed	M9 24/25 On Target
<i>Starts Apr24 / Completes Mar25</i>	Energy Efficient Council Programme: 1st tranche of properties surveyed	M9 24/25 On Target
<i>Starts Apr25 / Completes Mar26</i>	Energy Efficient Council Programme: 2nd tranche of properties surveyed	

Performance to date can be summarised as follows:

- 34 surveys completed
- 4 draft reports under review and 4 completed
- Engagement with sites and internal services ongoing
- Feedback from other services with respect to prioritisation of sites/projects ongoing, but not impacting on delivery.

An additional 40 surveys are scheduled to be completed before the end of the financial year.

Measures of Success

Measures of Success set up in PRMS for this programme are as follows:

Energy Efficient Council Programme: Value of grant funding secured
Energy Efficient Council Programme: Reduced energy costs for service users
Energy Efficient Council Programme: Opportunities implemented
Energy Efficient Council Programme: % of Council non-domestic properties surveyed FY24/25 onwards

External grant funding of £10,000 has been committed but not yet received for a water efficiency project on multiple public toilets which is due to be delivered in January 2025.

Implementation of projects, relating to reduced energy costs and opportunities implemented, are expected to begin imminently.

The percentage of properties surveyed is marginally behind targeted levels due to staff resource limitations and the type of properties initially surveyed, e.g. higher consuming more complex type properties. However confident that the programme will catch up to the scheduled timeline.

6.3 Financial Summary

The following financial savings and investment indicators are set up in PRMS for this Programme:

£	Energy Efficient Council Programme: Savings	£ 100,000
£	Energy Efficient Council Programme: Investment	£ 90,000

i) Savings

A savings target of £100,000 has been set for 24/25 and progress up to the end of December 24 with achieving this savings target is as follows:

Energy Efficient Council Programme: Savings	M9 24/25	
	Current Forecast	Actual to Date
	£ 100,000	£ 50,000

Savings to date primarily related to utility invoice savings and prompt rectification of water leaks.

ii) Investment

Progress as at end of December 24 on the Investment indicator is as follows:

Energy Efficient Council Programme: Investment	M9 24/25	
	Current Forecast	Actual to Date
	£ 90,000	£ 10,000

External grant funding of £10,000 has been committed but not yet received for a water efficiency project.

6.4 Key Risks

The following Key Risks that have been identified for this project are:

1. Contractor Capacity

Risk Event:	There is a Risk that works will be delayed/cancelled and that financial and carbon savings may not be realised
Risk Cause(s):	Due to insufficient contractor capacity and finding suitably skilled staff with sufficient capacity and availability to deliver the work.
Consequence(s): so what?	This may result in inability to progress and deliver projects in desired timeframes.

2. Staff Shortage

Risk Event:	There is a Risk that financial and carbon savings targets will not be met.
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Risk Cause(s):	Skilled and experienced staff not available to deliver the work.
Consequence(s): so what?	This may result in inability to progress projects within desired timeframes.

These Risks are currently being assessed and scored for impact and likelihood using the Corporate Performance Risk Management Framework. Once this process has been completed, these Risks will be set up in PRMS and will be managed and monitored accordingly as the project progresses.

6.5 Forward Plan

The Climate Change and Energy team continue to build the staff resource to full capacity for the associated delivery of this workstream. Processes and procedures, including internal liaison, now defined and are being followed, to enhance the efficiency of delivery and the value of the resulting deliverables.

Discussions have been initiated with Property Services with regard to implementation of accepted and approved energy conservation measures.

7. Energy Estate – Solar PV Council Estate Programme

7.1 Overall Project RAG Status

The programme is currently ragged as Amber in PRMS as per the extract below.

Reason for Project RAG Rating and Corrective Action:	M9 24/25	<input type="radio"/> R <input checked="" type="radio"/> A <input type="radio"/> G <input type="radio"/> C
<small>Contractor inspection programme initiated and progressing in line with expectations. Limited remedial works being progressed. Staff resource remains an issue. Draft project proposals now being generated. Detailed design to be co-ordinated in-house to be taken to next stage of business case submission. Following six sites to be taken forward in initial phase for detailed design and implementation • Grant House Resource Centre • Highland Folk Museum • Deshar PS • Waste Transfer Station – Longman • Waste Transfer Station – Portree • Waste Transfer Station – Fort William</small>		

This programme is ragged amber due to long-term staff illness, significantly impacting the delivery of this workstream. Staff resource being drawn from other projects to cover.

7.2 Key Milestones & Measures of Success

Key Milestones

The Key Milestones that have been set up in PRMS for this programme are as follows:

MILESTONES**CURRENT STATUS**

<i>Starts/Completes Apr24</i>	Solar PV Council Estate Programme: Financial model signed off	M9 24/25 Some Slippage
<i>Starts Apr24 / Completes Apr24</i>	Solar PV Council Estate Programme: 50% total generation re-activated	M3 24/25 Completed
<i>Starts Apr24 / Completes May24</i>	Solar PV Council Estate Programme: 24/26 Project and Programme in place	M9 24/25 Some Slippage
<i>Starts May24 / Completes Mar25</i>	Solar PV Council Estate Programme: 60% of 1MW generation achieved	M9 24/25 No Significant Progress
<i>Starts Apr25 / Completes Sep25</i>	Solar PV Council Estate Programme: 1MW of new installation completed	
<i>Starts Apr26/ Completes Mar31</i>	Solar PV Council Estate Programme: 1MW additional generation p/a up to 5yrs	

There are currently 114 Solar PV assets installed, individually ranging from 4 kW to over 230 kW. Combined the total generation capacity amounts to 2.63 MW, with 78% of total installed generation operational as of January 2025.

An inspection programme of assets, assessing operational and electrical safety, has been underway since Oct 2024 with completion expected in March 2025. In summary the inspection programme is on track to complete on time and current progress is as follows:

Systems inspected	54
Systems re-initialised and operational	32
Systems requiring remedial works prior to re-initialisation	18
Systems with PVs found removed	4

It should be noted that the inspection programme was limited to accessible systems and areas, which excluded inspection of panels and cabling on roofs. These aspects will be inspected during 2025/26 financial year as part of the ongoing maintenance, inspection and servicing programme currently under development.

As part of the Inverness Zero Carbon Cultural Regeneration Project, Solar PV has been installed at the Bught and Northern Meeting Parks, respectively with installed capacities of 88kW and 36kW. In alignment with the project programme these systems are expected to come online in March 2025 and May 2025 respectively.

However, delivery of the 600kW target of new generation assets, for financial year 2024/25 unlikely to be met due to key staff being off on long-term ill.

The following six sites to be taken forward in initial phase for detailed design and implementation:

- Grant House Resource Centre
- Highland Folk Museum
- Deshar PS
- Waste Transfer Station – Longman
- Waste Transfer Station – Portree
- Waste Transfer Station – Fort William

Measures of Success

Measures of Success set up in PRMS for this programme are as follows:

Solar PV Council Estate Programme: Increased installed generation capacity
Solar PV Council Estate Programme: 100% existing sites operational/generating energy
Solar PV Council Estate Programme: Reduction CO2 emissions due to PV installation
Solar PV Council Estate Programme: Reduced electricity costs for service users

7.3 Financial Summary

iii) Savings & Income

There is a financial indicator for Income set up in PRMS for this programme with a target of £400,000/£1.1m for 24/25.

Solar PV Council Estate Programme: Income	M9 24/25	
	Current Forecast	Actual to Date
	£ 200,000	£ 200,000

The total generated for the current financial year will be formalised by end of March 2025. Work is ongoing to align all disparate monitoring systems across the installed assets into a single portal for oversight and reporting.

iv) Investment

There is a financial indicator for Investment set up in PRMS for this programme with a target of £1,000,000 for 24/25.

Solar PV Council Estate Programme: Investment	M9 24/25	
	Current Forecast	Actual to Date
	£ 600,000	£ 0

Total investment for the current financial year will be formalised by end of March 2025. Work is ongoing to evaluate activity relating to remedial works, new installations and remote monitoring systems.

7.4 Key Risks

The following Key Risks that have been identified for this project are:

3. Contractor Capacity

Risk Event:	There is a Risk that works will be delayed/cancelled and that financial and carbon savings may not be realised
Risk Cause(s):	Due to insufficient contractor capacity and finding suitably skilled staff with sufficient capacity and availability to deliver the work.
Consequence(s): so what?	This may result in inability to progress and deliver projects in desired timeframes. Additionally, this could result in existing systems not being maintained in an operational state.

4. Staff Shortage

Risk Event:	There is a Risk that financial and carbon savings targets will not be met.
Risk Cause(s):	Skilled and experienced staff not available to deliver the work.
Consequence(s): so what?	This may result in inability to progress projects within desired timeframes.

These Risks are currently being assessed and scored for impact and likelihood using the Corporate Performance Risk Management Framework. Once this process has been completed, these Risks will be set up in PRMS and will be managed and monitored accordingly as the project progresses.

7.5 Forward Plan

The team will continue to identify new opportunities for additional Solar PV and progress opportunities through to detailed design, business case submission and implementation.

Designation: Assistant Chief Executive - Place

Date: 9 January 2025

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Appendices: Appendix 1 – before and after photos relating to a property which had the Void-Plus standard applied.