

# The Highland Council

Agenda Item	8
Report No	HP/19/25

**Committee:** Housing and Property

**Date:** 21 May 2025

**Report Title:** Delivery Plan Budget Monitoring & Progress Update – Portfolios: Reconfiguring our Asset Base (ROAB) Portfolio and Net Zero, Energy Investment & Innovation (NZEI) Portfolio

**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:-

### **Reconfiguring our Asset Base Portfolio**

- Single Property Service - Migration of Property Assets and Property Resources
- Single Property Service - Learning Estate Strategy
- Highland Investment Plan - Deliver Affordable Housing Programme
- Highland Investment Plan - Void Plus Policy
- Highland Investment Plan – New Area Community PODs

### **Net Zero, Energy Investment & Innovation Portfolio**

- Energy Estate - Energy Billing Management
- Energy Estate - Energy Efficient Homes

- 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 **note** the progress of the Delivery Plan Programmes and Projects as per the updates provided in this report.

## 3 Implications

- 3.1 **Resource** – Any resource implications (if any) will be included in the programme and project updates provided 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.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – There are no implications arising as a direct result of this report.
- 3.5 **Gaelic** – There are no Gaelic implications arising as a direct result of 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 This is a monitoring and update report and therefore an impact assessment is not required.

## 5 ROAB - Single Property Service - Migration of Property Assets and Property Resources

5.1

<b>Project: Migration of Property Assets and Property Resources</b>	R	●
	A	●
	G	●
	C	●

This project is ragged as amber (as agreed at ROAB Portfolio Board on 3 April 2025) due to challenges in transferring budgets to this extent part-way through a financial year and the impact on the project timeline. As part of corrective action, budgets have been identified, and discussions have taken place with the Finance Service. The work required to realign the budgets is the next step as part of the 2025/26 budget build. This work will be completed in line with Q1 reporting by the end of June 2025.

## 5.2 Key Milestones, Measures of Success & Requests for Change

As part of corrective action to address the Amber Rag Status and bring the project back on track, a request for change was logged to extend the completion dates of SPS Deployed and Centralise Property maintenance budgets milestones to June 25, which was approved by ROAB Portfolio Board on 3 April. The new budget structure for property will be part of the budget setting process - that will be completed by end of Q1 2025/26 (end of June) as per the approved request for change.

MILESTONES		LATEST PROGRESS
<i>Starts Apr24 / Completes Jun25</i>	Migration of Property Assets & Resources: Review complete	M12 24/25 No Significant Progress
<i>Starts Apr24 / Completes Jun25</i>	Migration of Property Assets & Resources: Budgets transferred to SPS	M12 24/25 No Significant Progress
<i>Starts Apr24 / Completes Jun 25</i>	Migration of Property Assets & Resources: SPS deployed	M12 24/25 Some Slippage
<i>Starts Feb 25 / Completes Jun 25</i>	Migration of Property Assets: Centralise property maintenance budgets	M12 24/25 Some Slippage
<i>Starts Jul 25 / Completes Mar 26</i>	Migration of Property Assets & Resources: SPS Model reviewed	
<i>Starts Apr26 / Completes Jun26</i>	Migration of Property Assets & Resources: Project Closure	

### Measures of Success

The following Measure of Success is set up in PRMS against this project:-


Migration of Property: Reduction in rechargeable works  
[reporting starts FY24/25]

The data for 2024/25 will not be available to be reported against this measure until May 2025. As maintenance budgets are transferring over to the Property Service, the value of this indicator should decrease over time.

## 5.3 Financial Summary

This project contributes towards the achievement of this financial savings indicator which has an overall target of £750,000 by 2026/27 with savings starting to be achieved from 25/26 onwards as follows:-

- 2025/26 - £250,000
- 2026/27 - £500,000

	Network of Community Facilities: Savings Yrs 2&3 25/26 26/27
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## 5.4 Key Risks

The following key risks have been identified and are being monitored at portfolio board level for this project:-

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
Migration of Property: Not All Resources Transferred	12	Treat
Migration of Property: Insufficient Budget for Repairs	15	Treat

### **Not All Resource Transferred - Mitigation Actions**

- **Issue Instruction to Staff on engaging Contractors on Council Sites –**  
Once the budgets have been transferred, and as part of monitoring and reviewing the new model, targeted reminders will be issued to staff as to who should instruct work and direct staff to the policy and procedure and to engage with the Property Team. This may reduce likelihood if staff are more informed.
- **Remove budgets from Services that are being used to repair property -**  
Once budgets have been identified with Finance, requires CMT agreement that budgets can be removed from Services.

### **Insufficient Budget for Repairs - Mitigating Actions**

- **Develop and implement Investment Programme -** Five building surveyors have been appointed to carry out a rolling programme of building condition surveys and these are underway - there are still two engineering surveyor posts to be appointed, and these are going back out to recruitment in April 2025.
- **Request that Devolved School Management (DSM) repair budgets are increased -** As part of the budget setting process, an extra £2m has been allocated for General Fund Property repairs but not specifically for DSM repairs. This action will not be revisited until January 26 when the next round of budget setting commences.

## 5.5 Forward Plan

In Q1 2025/26 (June 25) work on the management structure of the Single Property Service model will continue to progress.

By the end of Q1 2025/26 (June 25), centralisation of property maintenance budgets should be completed, and monitoring of the new model will commence from July 25 onwards as per the milestones mentioned above.

6	ROAB - Single Property Service – Learning Estate Strategy																														
6.1	<div><div>Project: Develop a Learning Estate Strategy</div><div>RAGC</div></div> <p>This project has an overall rag status of Green as the Learning Estate Strategy (LES) was approved by the Education Committee on 26 February 2025 under <u>Item 5</u> on the Agenda.</p>																														
6.2	<p><u>Key Milestones, Measures of Success &amp; Requests for Change</u></p> <p>The following Key Milestones are set up in PRMS to monitor the progress of this project:-</p> <table><thead><tr><th colspan="2">MILESTONES</th><th>CURRENT STATUS</th></tr></thead><tbody><tr><td>Starts Apr24 / Completes Nov24</td><td>Learning Estate Strategy: Draft LES</td><td>M12 24/25 Completed</td></tr><tr><td>Starts Apr24 / Completes Dec24</td><td>Learning Estate Strategy: LES reported to Committee</td><td>M12 24/25 Completed</td></tr><tr><td>Starts/Completes Feb25</td><td>Learning Estate Strategy: Learning Estate Strategy Approved</td><td>M12 24/25 Completed</td></tr><tr><td>Starts Mar25 / Completes Mar26</td><td>Learning Estate Strategy: Update on achieving measures of success</td><td>M12 24/25 On Target</td></tr><tr><td>Starts Apr24 / Completes Sep25</td><td>Learning Estate Strategy: Implementation of methodology for secondary school capacity modelling</td><td>M12 24/25 On Target</td></tr><tr><td>Starts Jan26 / Completes Dec26</td><td>Learning Estate Strategy: Further LES updates</td><td></td></tr><tr><td>Starts Jan27 / Completes Mar 27</td><td>Learning Estate Strategy: Project Closure Milestone</td><td></td></tr></tbody></table> <p>Following an assurance review of milestones and measures of success, the ROAB Portfolio Board meeting on 27 February 2025 approved Requests for Change to convert the implementation of methodology for secondary school capacity modelling from a measure of success to a milestone. Two measures of success were also removed due to not being measurable or relevant. Two milestones have also been added to mark approval of the LES and a Project Closure Milestone.</p> <p>Measures of Success</p> <p>The following measure of success is set up in PRMS for this project and 2024/25 is the first year of reporting data for this measure. This information will be available once the annual update of the School Estate Core Facts data has been completed; this is due to be submitted to the Scottish Government in May 2025.</p> <table><thead><tr><th>MEASURES OF SUCCESS</th><th>CURRENT STATUS</th></tr></thead><tbody><tr><td>Learning Estate Strategy: Schools meeting A/B ratings [reporting starts AY24/25]</td><td></td></tr></tbody></table>			MILESTONES		CURRENT STATUS	Starts Apr24 / Completes Nov24	Learning Estate Strategy: Draft LES	M12 24/25 Completed	Starts Apr24 / Completes Dec24	Learning Estate Strategy: LES reported to Committee	M12 24/25 Completed	Starts/Completes Feb25	Learning Estate Strategy: Learning Estate Strategy Approved	M12 24/25 Completed	Starts Mar25 / Completes Mar26	Learning Estate Strategy: Update on achieving measures of success	M12 24/25 On Target	Starts Apr24 / Completes Sep25	Learning Estate Strategy: Implementation of methodology for secondary school capacity modelling	M12 24/25 On Target	Starts Jan26 / Completes Dec26	Learning Estate Strategy: Further LES updates		Starts Jan27 / Completes Mar 27	Learning Estate Strategy: Project Closure Milestone		MEASURES OF SUCCESS	CURRENT STATUS	Learning Estate Strategy: Schools meeting A/B ratings [reporting starts AY24/25]	
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6.3	<p><u>Financial Summary</u></p> <p>There are no savings, income or investment financial indicators associated with this project.</p>									
6.4	<p><u>Key Risks</u></p> <table><tr><th>KEY RISKS ASSESSED / RESPONSE</th><th>CURRENT RISK RATING</th><th>RESPONSE</th></tr><tr><td>Learning Estate Strategy: Time from internal resource</td><td>6</td><td>Closed</td></tr><tr><td>Learning Estate Strategy: Member Support for LES</td><td>6</td><td>Closed</td></tr></table> <p>Now that the Learning Estate Strategy (LES) has been approved and adopted by the Council, the above risks that were identified previously relating to the development of the LES have been closed. There are no other emerging risks identified at this time.</p>	KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE	Learning Estate Strategy: Time from internal resource	6	Closed	Learning Estate Strategy: Member Support for LES	6	Closed
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Learning Estate Strategy: Member Support for LES	6	Closed								
6.5	<p><u>Forward Plan</u></p> <p>The implementation of a capacity modelling methodology for secondary schools by September 2025 will result in a consistent approach to determining the Planning and Working Capacities of all schools in Highland.</p> <p>The LES will be reviewed each year, and the first review will commence in March 2026. Any significant changes will be reported to a subsequent Education Committee meeting.</p>									
7	<p><b>ROAB - Highland Investment Plan – Affordable Housing Programme</b></p>									
7.1	<table><tr><td><p><b>Project: Affordable Housing Programme</b></p></td><td><p>R ●</p><p>A ●</p><p>G ●</p><p>C ●</p></td></tr></table> <p>The programme on site will deliver the units as forecast albeit the contract period for two projects have extended into 2025/26. The two contracts where the project timelines have been re-profiled are Balloch and Struan. Contractors are already on-site, and the units will be delivered, the completion date will be end Q1 2025 due to factors out with the Council's control.</p> <p>The total number of units either built or purchased for the Council House Build programmes during 2024/25 is 148.</p>	<p><b>Project: Affordable Housing Programme</b></p>	<p>R ●</p> <p>A ●</p> <p>G ●</p> <p>C ●</p>							
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## Key Milestones, Measures of Success & Requests for Change

The following Key Milestones are set up in PRMS to monitor the progress of this project:-

MILESTONES		CURRENT STATUS
<i>Completed in January 2024</i>	Deliver Affordable Housing: Strategic Housing Investment Programme approved	<b>M10 23/24 Completed</b>
<i>Starts Apr24 / Completes Sep24</i>	Deliver Affordable Housing: Housing revenue Capital Plan agreed	<b>M5 24/25 Completed</b>
<i>Starts Sep24 / Completes Sep25</i>	Deliver Affordable Housing: Alternative finance model delivered	<b>M12 24/25 On Target</b>
<i>Starts Apr25 / Completes Jan26</i>	Deliver Affordable Housing: Housing Revenue Account Capital Plan - 25/26 Approved	
<i>Starts Jun25 / Completes Nov25</i>	Deliver Affordable Housing: Strategic Housing Investment Programme approved for 2026-2031	

**Alternative Finance Model** - Detailed discussions have been underway with the Scottish National Investment Bank and other financial providers to develop new joint venture investment models for housing delivery which would increase housing supply.

**Mid Market Rent** – in line with the investment decisions made as part of the Council's budget setting process, work is beginning on developing a mid market rent model for the Council to directly deliver mid-market rental properties. This work is in early stages and progress will be reported to future committees.

### Measures of Success

The following Measures of Success are set up for this project in PRMS:-

MEASURES OF SUCCESS	CURRENT STATUS
Deliver Affordable Housing: New houses sustain rural communities [reporting starts 2024/25]	<b>14</b>
Deliver Affordable Housing: No. key worker homes made available avg p.a. 2022-27    CP3.08	<b>10</b>
Deliver Affordable Housing: No. affordable houses built by others per year 2022-27    CP3.03	<b>226</b>
Deliver Affordable Housing: No. council houses built/ purchased per year 2022-27    CP3.01	<b>189</b>
Deliver Affordable Housing: % of SG Resource Planning Allocation Spent [reporting starts FY24/25]	<b>100 %</b>

During 2024/25, the Council delivered 12 homes in rural remote areas and a partner delivered a further 2 were completed by a partner organisation.

Further data analysis will be undertaken but in excess of 10 homes have been made available for Key Workers.

The Council has built/purchased 189 affordable homes in 2024/25. The final handover of 33 units will take place in Q1 2025/26.

	Partner organisations delivered a further 151 homes. This does not include phased completions as Scottish Government does not count completions until the last property on a site goes into management.															
7.3	<p><u>Financial Summary</u></p> <p>There are no savings, income or investment financial indicators associated with this project.</p>															
7.4	<p><u>Key Risks</u></p> <p>The following Key Risks are set up in PRMS, which the Reconfiguring our Asset Base (ROAB) Portfolio Board are sighted on:-</p> <table><thead><tr><th>KEY RISKS ASSESSED / RESPONSE</th><th>CURRENT RISK RATING</th><th>RESPONSE</th></tr></thead><tbody><tr><td>Affordable Housing Programme: Affordability of Constructing New Housing</td><td>12</td><td>Treat</td></tr><tr><td>Affordable Housing Programme: High inflation/interest rates</td><td>12</td><td>Tolerate</td></tr><tr><td>Affordable Housing Programme: Contractor Capacity</td><td>6</td><td>Tolerate</td></tr><tr><td>Affordable Housing Programme: Reduced Public Sector Funding</td><td>4</td><td>Tolerate</td></tr></tbody></table> <p><b>Affordability of Constructing New Housing</b> – The associated Risk Action set up in PRMS to ‘treat’ this risk is to:</p> <ul style="list-style-type: none"><li><b>Review approach with regards to rural communities</b> - As at March 25, the progress update on this Risk Action in PRMS is that the delivery of 'rural projects ' is an integral part of the SHIP. There is an ongoing commitment to delivering projects to sustain our rural areas. Collaboration with HIE is looking at joint projects to deliver a variety of outcomes to sustain communities.</li></ul> <p><b>Contractor Capacity</b> - There remains a capacity issue for contractors. The Council, through project management, is actively managing the timing of tenders to maximise capacity and seeking out new contractors interested in working for the Council.</p> <p><b>Reduced Public Sector Funding</b> - The risk associated to reduced public sector funding has been changed to green. This is due to the impact of additional funding becoming available in 2024/25 and the indicative funding which has been agreed for 2025/26 which covers the projected commitments.</p>	KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE	Affordable Housing Programme: Affordability of Constructing New Housing	12	Treat	Affordable Housing Programme: High inflation/interest rates	12	Tolerate	Affordable Housing Programme: Contractor Capacity	6	Tolerate	Affordable Housing Programme: Reduced Public Sector Funding	4	Tolerate
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7.5	<p><u>Forward Plan</u></p> <p>The key Quarter 1 and 2 actions will be the preparation of the new Strategic Housing Investment Plan, ensuring that the Council's landbank is reflected in the Highland Wide Development Plan call for sites and the preparation of the final 2025/6 programme.</p>
8	<p><b>ROAB - Highland Investment Plan – Housing Void Plus Policy</b></p>
8.1	<div> <div> <b>Project: Housing Void-Plus Policy</b> </div> <div> R ● A ● G ● C ● </div> </div> <p>The Housing Void-Plus Policy project relates specifically to the Caithness area and an update on progress was provided to the Caithness Committee on 28 April 2025. This update can be accessed here - <a href="#"><u>Caithness Committee – Item 7 - Void Plus Policy - Update on Progress</u></a>.</p>
9	<p><b>ROAB - Highland Investment Plan - New Community Points of Delivery (PODs)</b></p>
9.1	<div> <div> <b>Project: Single Public Estate - New Area Community Pods</b> </div> <div> R ● A ● G ● C ● </div> </div> <p>Reports on the HIP were approved at the May, June, October and December 2024 Council meetings and there has been steady progress on the overall programme and in agreeing priorities, with general cross-Member support. The update report in March 2025 included the allocation of capital funding to the first group of Phase 1 projects at Beauly, Charleston, Dingwall, Dunvegan, Fortrose, Inverness High and Thurso, along with proposed project delivery timescales, and these projects have now been set up in PRMS.</p>

## Key Milestones, Measures of Success and Requests for Change

The following Key Milestones are set up in PRMS to monitor the progress of this project:-

MILESTONES		CURRENT STATUS
<i>Starts Apr24 / Completes Mar27</i>	Single Public Estate: Programme commences	M12 24/25 On Target
<i>Starts Sep24 / Completes Mar27</i>	Single Public Estate: Monitoring Programme Progress Dec. 2024	M10 24/25 Completed
<i>Starts Apr25 / Completes May25</i>	Single Public Estate Community Pods: Annual review of Delivery Programme 24/25 period	M12 24/25 On Target
<i>Starts / Completes Dec25</i>	Single Public Estate: Monitoring Programme Progress Dec. 2025	
<i>Starts Apr26 / Completes May26</i>	Single Public Estate Community Pods: Annual review of Delivery Programme 25/26 period	
<i>Starts / Completes Dec26</i>	Single Public Estate: Monitoring Programme Progress Dec. 2026	
<i>Starts Jan27 / Completes Mar27</i>	Single Public Estate: End of Delivery Plan – Progress Report	
<i>Starts Apr25 / Completes Jun26</i>	Single Public Estate: Beauly - Pre-Construction Activities	
<i>Starts Apr25 / Completes Mar27</i>	Single Public Estate: Charleston - Pre-Construction Activities	
<i>Starts Apr25 / Completes Dec26</i>	Single Public Estate: Dingwall - Pre-Construction Activities	
<i>Starts Apr25 / Completes Dec25</i>	Single Public Estate: Dunvegan - Pre-Construction Activities	
<i>Starts Apr25 / Completes Dec26</i>	Single Public Estate: Fortrose - Pre-Construction Activities	
<i>Starts Apr25 / Completes Dec26</i>	Single Public Estate: Inverness High - Pre-Construction Activities	
<i>Starts Apr25 / Completes Nov27</i>	Single Public Estate: Thurso - Pre-Construction Activities	
<i>Starts Apr25 / Completes Dec25</i>	Single Public Estate: Alness and Invergordon - Confirm Project Scope and Location(s)	
<i>Starts Apr25 / Completes Dec25</i>	Single Public Estate: Brora, Dornoch and Golspie - Confirm Project Scope and Location(s)	
<i>Starts Apr25 / Completes Dec25</i>	Single Public Estate: Other Locations - Confirm Project Scope and Location(s)	

As part of an assurance review, the ROAB Portfolio Board on 3 April 25 approved a request for change to add new milestones reflecting the HIP Phase 1 projects approved in March 2025 and the work underway on other locations and potential future projects. These milestones have been added and will be updated accordingly to track progress on each of the projects.


Measures of Success:-


Single Public Estate Community Pods: Key partners co-located with Council Services in community pods [reporting starts FY27/28]	
Single Public Estate: No. schools planned to be incorporated in Community Pods [reporting starts FY27/28]	

## Financial Summary

### Savings

The following financial savings indicators are set up for this project in PRMS:-

	Single Public Estate: Savings - Demonstrator Projects	<b>£ 0</b>
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	Network of Community Facilities: Savings Yrs 2&3 25/26 26/27	<b>£ 0</b>	<b>£ 0</b>
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The cumulative target of £475,000 for Single Public Estate: Savings - Demonstrator Projects is profiled as follows:-

Annual Target			Cumulative Target
FY 24/25	FY 25/26	FY 26/27	
<b>£ 100,000</b>	<b>£ 175,000</b>	<b>£ 200,000</b>	<b>£ 475,000</b>

The cumulative target of £750,000 for Network of Community Facilities Savings is profiled as follows:-

Annual Target			Cumulative Target
FY 24/25	FY 25/26	FY 26/27	
<b>£ 0</b>	<b>£ 250,000</b>	<b>£ 500,000</b>	<b>£ 750,000</b>

The various elements to achieve these cumulative savings targets are being reviewed following the approval of the first group of HIP Phase 1 projects and to reflect the ongoing development of other asset rationalisation workstreams and opportunities. These targets will be re-profiled over the next two years as part of the financial year-end process.

### Investment

The Investment Indicator below is set up for this project and relates to the Portree Demonstrator project. The figure relates to the expenditure for 2024/25 based on the near-final capital monitoring report.

	Single Public Estate: Investment	<b>£ 308,000</b>
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A request for change will be logged to set up an Investment Indicator for the HIP capital funding quantum of £388m over the 7-year period (2024/25 - 2030/31) that was set out in the report approved at the Council meeting in March 2025.

9.4

Key Risks

The following key risks are set up and being monitored in PRMS for this project:-

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
Community Pods: Savings Targets Not Fully Achieved	8	Treat
Community Pods: Engagement and Statutory Consultation	1	Tolerate
Community Pods: Delivery Affected by Market Forces	6	Tolerate
Community Pods: Service and Partner Engagement	4	Tolerate

Community Pods: Savings Targets Not Fully Achieved

The savings target of £100,000 for Demonstrator Projects in 2024/25 has not been achieved, due to the ongoing development of the Portree Demonstrator project. However, construction work is due to commence in June 2025 and be completed by March 2026. The mitigating action to treat this risk is to re-profile the savings target over future years as outlined in 9.3.

9.5

Forward Plan

Design and planning work is underway on the first group of Phase 1 projects approved in March 2025, along with the ongoing place-based reviews in these and other prioritised locations, and the identification of opportunities for improvement to existing facilities through the HIP investment. An update report will be presented to the Council meeting on 26 June 2025.

10

NZEL - Energy Estate – Energy Billing Management

10.1

Project: Energy Billing Management Programme

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This project is ragged as amber due to the ongoing staff member on long-term illness and relative inexperience of the majority of the team. The team have progressed and performed well, but not yet fully developed and require coaching and direction. Additional necessary workstreams, e.g. meter replacement programme, adds additional workload pressure to team. Savings being achieved in utility billing, in line with expectations.

## 10.2 Key Milestones, Measures of Success & Requests for Change

The following milestones have been set up for the project in PRMS:-

MILESTONES		CURRENT STATUS
<i>Starts Apr24 / Completes Nov24</i>	Energy Billing Management Programme: Project Plan in place	M12 24/25 Completed
<i>Starts Apr24 / Completes May24</i>	Energy Billing Management Programme: Team re-purposing/staff recruitment	M12 24/25 Completed
<i>Starts Jul24 / Completes Nov24</i>	Energy Billing Management Programme: Annual update report to committee	M10 24/25 Completed
<i>Starts / Completes Apr 25</i>	Energy Billing Management Programme: Quarterly review of energy invoices established	
<i>Starts Apr 25 / Completes Jul 25</i>	Energy Billing Management Programme: Replacement of RTS Meters across non-domestic estate	
<i>Starts Apr 25 / Completes Mar 26</i>	Energy Billing Management Programme: Single THC Policy on Utility Supply Management Arrangements developed and adopted	

The milestone, Quarterly review of energy invoices established was removed as agreed by NZEI Portfolio Board on 16 April 2025.

Additional milestones have been added to reflect key workstreams and areas of focus over the upcoming 12 months.

### Measure of Success

The financial refunds and adjustments (reduction of charges) received is the only measure of success and there is a PI already set-up for this as set out below:-

MEASURES OF SUCCESS	CURRENT STATUS
Energy Billing Management Programme: Savings achieved [£0.25M net Y1, reporting starts FY24/25]	£ 247,405

The original annual target on this measure was £715k but a request for change was submitted and approved at the NZEI Portfolio Board on 16 April to apportion £465k of this total figure to the Energy Efficient Council programme which also contributes to the achievement of this cost avoidance measure.

## 10.3 Financial Summary

- i) Savings  
There are no financial savings or investments currently attached to this programme. However, there is cost avoidance target within the measures of success as follows:-

MEASURES OF SUCCESS	CURRENT STATUS
Energy Billing Management Programme: Savings achieved [£0.25M net Y1, reporting starts FY24/25]	£ 247,405

	<p>Savings achieved are in line with expectations (£250k). Stated target of £715k was an amalgamation of 2 cost savings stream which have now been separated.</p> <p>ii) Investment - There are no income or investment financial indicators associated with this project.</p>						
10.4	<p><u>Key Risks</u></p> <table><thead><tr><th>KEY RISKS ASSESSED / RESPONSE</th><th>CURRENT RISK RATING</th><th>RESPONSE</th></tr></thead><tbody><tr><td>Energy Billing Management Programme: Insufficient Staff Resource</td><td>9</td><td>Tolerate</td></tr></tbody></table> <p>The risk above is present due to the specialised skills and experience required to undertake the role, something which only develops from on-the-job training.</p>	KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE	Energy Billing Management Programme: Insufficient Staff Resource	9	Tolerate
KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE					
Energy Billing Management Programme: Insufficient Staff Resource	9	Tolerate					
10.5	<p><u>Forward Plan</u></p> <p>In addition to the core ongoing task of co-ordinating all THC utility invoice validation and processing, key initiatives are the co-ordination of RTS meter replacements for 144 non-domestic sites and the development and implementation of a Single THC Policy on Utility Supply Management Arrangements.</p>						
11	<p><b>NZEII - Energy Estate – Energy Efficient Homes</b></p>						
11.1	<table><tr><td><b>Project: Energy Efficient Homes Programme</b></td><td><div><div>R</div><div>A</div><div>G</div><div>C</div><div><div></div><div></div><div></div><div></div></div></div></td></tr></table> <p>The programme has been ragged as ‘green.’ Project milestones are on track or complete, in line with the updated timescales agreed at the NZEII Portfolio Board. Several measures of success have been surpassed, such as the number of Council Houses issued, and the value of external funding leveraged to support HRA investment. Work is ongoing to develop a strong pipeline of projects aimed at both social and private householders. Additionally, there is an ongoing review to identify further opportunities to attract and secure external funding.</p> <p>There is currently two place-based projects and two Highland-wide projects to improve the energy efficiency of Highland homes for both Council tenants and private householders:-</p> <ul style="list-style-type: none"><li>• Caol Swedish Timber (mixed tenure) – Whole House Retrofit</li><li>• Balintore Timber (mixed tenure) – Whole House Retrofit</li><li>• Energy Company Obligation (ECO) funded works – D-C project (Council properties)</li><li>• Energy Efficient Scotland: Area Based Scheme (EES:ABS 24/25) – Scottish Government funded for private householders.</li></ul> <p>Circa £3.7m of external funding has been leveraged to 31 March 2025 to support completed HRA capital investment.</p>	<b>Project: Energy Efficient Homes Programme</b>	<div><div>R</div><div>A</div><div>G</div><div>C</div><div><div></div><div></div><div></div><div></div></div></div>				
<b>Project: Energy Efficient Homes Programme</b>	<div><div>R</div><div>A</div><div>G</div><div>C</div><div><div></div><div></div><div></div><div></div></div></div>						

## 11.2 Key Milestones, Measures of Success & Requests for Change

The following key milestones are set up in PRMS to track the progress of this programme:-

MILESTONES		CURRENT STATUS
<i>Starts Apr24 / Completes Mar27</i>	Energy Efficient Homes Programme: 20% increase in private delivery	<b>M12 24/25 On Target</b>
<i>Starts Apr24 / Completes Mar27</i>	Energy Efficient Homes Programme: Local training courses developed	<b>M12 24/25 On Target</b>
<i>Starts Apr24 / Completes Mar27</i>	Energy Efficient Homes Programme: Alignment of social/private domestic projects	<b>M12 24/25 On Target</b>
<i>Starts / Completes Apr24</i>	Energy Efficient Homes Programme: Plan developed	<b>M1 24/25 Completed</b>
<i>Starts Apr24 / Completes Jun25</i>	Energy Efficient Homes Programme: Roll out of social/private domestic projects	<b>M12 24/25 Some Slippage</b>
<i>Starts Apr25 / Completes Mar27</i>	Energy Efficient Homes Programme: Ongoing post-project evaluation on the completion of each project	
<i>Starts Apr25 / Completes Mar27</i>	Energy Efficient Homes Programme: Ongoing development of new projects - feasibility	

As the programme is ongoing, the PRMS milestones have been updated to reflect the timescales of the delivery plan. A request for change was submitted and approved at the NZEII Portfolio Board on 25 March 2025.

The rollout of social and private domestic projects has been ragged 'amber' due to limited external funding to support delivery.

### Measures of Success

The following Measures of Success are set up in PRMS for the Energy Efficient Homes Programme:-

% of dwellings with a SAP rating of C or above after energy efficiency works [reporting starts ]	
Energy Efficient Homes Programme: Cumulative Ext leverage funds for HRA investment [reporting starts 2024/25]	<b>£ 3,724,871</b>
Energy Efficient Homes Programme: Cumulative Ext leverage funds for privately owned properties [reporting starts Q1 24/25]	<b>£ 3,689,415</b>
Energy Efficient Homes Programme: 50% - 80% of external funding leveraged [reporting starts Q1 24/25]	<b>60 %</b>
Energy Efficient Homes Programme: Housing properties issued [reporting starts Q1 24/25]	<b>161</b>
Energy Efficient Homes Programme: No. private houses improved Qtr [reporting starts Q1 24/25]	<b>186</b>
Energy Efficient Homes Programme: No. social housing homes improved Qtr [reporting starts Q1 24/25]	<b>112</b>
Energy Efficient Homes Programme: Place-based projects [reporting starts 2024/25]	<b>7</b>
Energy Efficient Homes Programme: Notional savings on Utility Bills [reporting starts 2024/25]	
Energy Efficient Homes Programme: Reduction in fuel poverty [reporting starts 2024/25]	



	<p>The three measures of success without values are annual updates, which are due July each year. They relate to monitoring and evaluation activities which are reported in the project end reports.</p>												
11.3	<p><u>Financial Summary</u></p> <p>There are no financial savings or investments currently attached to this programme. However, there are targets within the measures of success to leverage external funding, increase the percentage of project costs externally funded, and increase the number of housing properties improved.</p> <table><tr><th>Measure of Success</th><th>Target</th><th>Year to date</th></tr><tr><td>External leverage of funds for HRA investment.</td><td>£2.4m over 3 years</td><td>£3,724,871</td></tr><tr><td>Percentage of external funding leveraged.</td><td>50% – 80%</td><td>60%</td></tr><tr><td>Housing properties improved annually.</td><td>80 in year 1</td><td>161</td></tr></table>	Measure of Success	Target	Year to date	External leverage of funds for HRA investment.	£2.4m over 3 years	£3,724,871	Percentage of external funding leveraged.	50% – 80%	60%	Housing properties improved annually.	80 in year 1	161
Measure of Success	Target	Year to date											
External leverage of funds for HRA investment.	£2.4m over 3 years	£3,724,871											
Percentage of external funding leveraged.	50% – 80%	60%											
Housing properties improved annually.	80 in year 1	161											
11.4	<p><u>Key Risks</u></p> <p>The following key risks are set up and being monitored in PRMS for this project:-</p> <table><tr><th>KEY RISKS ASSESSED / RESPONSE</th><th>CURRENT RISK RATING</th><th>RESPONSE</th></tr><tr><td>Energy Efficient Homes: Availability of Sufficient Funding</td><td>12</td><td>Tolerate</td></tr><tr><td>Energy Efficient Homes: Insufficient Contractor Capacity</td><td>12</td><td>Tolerate</td></tr><tr><td>Energy Efficient Homes: Tenant opt-out</td><td>12</td><td>Tolerate</td></tr></table> <p>The key risks identified are beyond the control of the programme, due to external factors influencing these risks. Despite this, the risks are considered to be moderate in severity. To ensure risks are managed appropriately, they will be subject to ongoing review on a monthly basis. This regular review process will help to monitor any changes and allow for timely adjustments to the approach as needed.</p>	KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE	Energy Efficient Homes: Availability of Sufficient Funding	12	Tolerate	Energy Efficient Homes: Insufficient Contractor Capacity	12	Tolerate	Energy Efficient Homes: Tenant opt-out	12	Tolerate
KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE											
Energy Efficient Homes: Availability of Sufficient Funding	12	Tolerate											
Energy Efficient Homes: Insufficient Contractor Capacity	12	Tolerate											
Energy Efficient Homes: Tenant opt-out	12	Tolerate											
11.5	<p><u>Forward Plan</u></p> <p>For Q1 2025/26, activities will focus on the completion of ongoing works related to projects funded by the Scottish Government. This includes thorough evaluation and reporting on the outcomes of these projects.</p> <p>In addition, funding applications for 2025/26 Scottish Government funding will be prepared and submitted (subject to Scottish Government timescales). This is crucial for securing the necessary funding to continue initiatives and drive further progress.</p>												



Ongoing review to identifying additional external funding opportunities, including Energy Company Obligation (ECO) funding. These funds are essential for supporting energy efficiency improvements in domestic properties, helping to enhance sustainability, reduce carbon and reduce energy consumption.

Designation: Assistant Chief Executive - Place

Date: 28 April 2025

Author: Laura Williamson, Corporate PMO & Performance Manager / Portfolio Manager – Place  
Brian Cameron, Strategic Lead – Housing & Building Maintenance  
Finlay MacDonald, Chief Officer Property & Assets  
Helen Cameron, Housing Development Manager  
Robert Campbell, Service Lead – Capital Planning & Estate Strategy  
Ronnie MacDonald, Energy Manager  
Isla MacMillan, Programme Manager - Climate Change and Energy

Background Papers: Draft Learning Estate Strategy [Report](#)  
Highland Investment Plan – Progress [Update](#)  
Void-Plus Policy – Update on [Progress](#)

Appendices: None