Agenda Item	5
Report No	HC/32/25

The Highland Council

Committee: **Highland Council**

Date: **30 October 2025**

Report Title: **Highland Investment Plan – Progress Update**

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

1 Executive Summary

1.1 The Highland Investment Plan (HIP) has been established through a series of reports to Council meetings since May 2024. It commits £2.1Bn of capital funding over a 20-year period, based on the ring fencing of 2% Council Tax per annum, or an equivalent revenue stream. These revenue funds will be capitalised to create an investment plan to tackle the major capital challenges that the Council faces: transport and roads; schools and community facilities; depots and offices, as part of work towards a single public estate and integrated community operating model. One of the key objectives will be to initiate a programme of improvements to our school estate with 91 of our 195 operational schools currently rated as "C – Poor" for condition and/or suitability.

1.2 The March 2025 report outlined the procurement approach for the major HIP capital projects, and this report provides an update on progress and on the outcomes from the initial two meetings of the newly established Commissioning Approval Board. The partnership with hub North Scotland Ltd (hNSL) is now fully operational and progress is being made on all the approved Phase 1 projects. hNSL have appointed the project team members and have commenced the engagement with prospective delivery contractors.

1.3 This report reflects the consolidated HIP totalling, in net terms, £761m over the 5-year period 2025/26 to 2029/30 and with the proposals for decision within this report, operating within that funding envelope.

1.4 The June 2025 report updated Members on the work to date on progressing the HIP workstreams and in developing a masterplan for Thurso. It also listed a group of other workstreams that would be the subject of updates to this meeting of the Council. This report therefore summarises progress on the delivery of the various HIP projects and associated workstreams along with proposed capital investment in Community, Leisure and Sports facilities in Invergordon, Inverness, and Tain.

1.5 The HIP is part of the wider drive towards asset reconfiguration, one of the key drivers for our delivery plan. This is in recognition of the number of assets that are in poor condition or no longer retain their prior functionality. The plan requires that we relinquish assets as required, refurbish those we are committed to, and create new builds as part of a place making plan. Only through this process can we shift and free up resource towards what our communities need for the future.

1.6 Members are reminded that the establishment of Community, Depot and Office Points of Delivery (PODs), is linked to plans to modernise service delivery and will be a key driver for the future operating model of the Highland Community Planning Partnership, delivering against the principles within the Highland Outcome Improvement Plan. Such a future operating model needs to be seen as part of a strategy to provide more integrated local services across the ten Council areas, effectively devolving and decentralising Council operations over time and ensuring that all places benefit from this new approach. This is essential to help sustain communities and population through a revised partnership service delivery model. This paper also supports the development of the Councils Future Operating Model, which is also on today's agenda.

2 Recommendations

Members are asked to:

i. **Scrutinise and approve** the continuing work on progressing Phase 1 of the HIP, the procurement and delivery of the major projects, conducting place-based reviews and developing masterplans, all as outlined in sections 6 to 8 of this report;

ii. **Agree** that capital funding totalling £2.6M is allocated to Community, Sports, and Leisure projects and developments as set out in Paragraphs 9.2 to 9.7;

iii. **Agree** that capital funding of £1.2M is allocated to enable the Tain Royal Academy Community Complex (TRACC) to be retained as a separate, standalone building for a period of up to 5 years once the new Tain Campus building is operational as set out in Section 10;

iv. **Scrutinise and approve** the work to date in developing a Community Benefits Plan as set out in Section 11;

v. **Scrutinise and approve** the work to date in considering the potential development of a Construction Skills Academy as set out in Section 12;

vi. **Scrutinise and approve** the work to date in progressing various strategic initiatives related to the Highland Housing Challenge as set out in Section 13; and

vii. **Agree** that, to support the delivery of the Lochaber Care project, a masterplan be prepared for the Blar Mhor site in Fort William to identify available development land and infrastructure constraints as set out in Section 14.

3 Implications

3.1 **Resource** – Previous reports to Members have set out the consolidated HIP, and the funding strategy and principles supporting the affordability of the Plan. As per this report, the current 5-year total of the HIP is £761m across the period 2025/26 to 2029/30. The recommendations within this report operate within that funding envelope, utilising allocations for HIP other priority projects to meet new or additional proposals. As agreed, a Commissioning Approval Board, through which all pipeline projects will be taken through has been established, to enable the most effective procurement route to be followed.

3.2 **Legal** – Delivery of the HIP will significantly assist the discharge of various statutory powers and duties of the Council, including those related to Roads, Education and Health and Safety.

3.3 **Risk** – The recommendations within this report, and the actions to be taken forward, will support the preparation of updated plans and costings as work moves forward, and support the management and mitigation of project risk. This report highlights that there remains a number of cost pressures and cost risks relating to the Plan, with this also being described in the May HIP report considered by Members. Officer work is ongoing to identify options to manage these pressures within the HIP funding envelope as agreed. The outcome of this work will be reported back to Members and is expected to involve elements of utilising unallocated/uncommitted funds, review of external funding opportunities and project profiles, and consideration of over-programming to manage cashflows. To remain within the borrowing and funding parameters agreed by the Council, and to ensure investment remains affordable, prudent, and sustainable, it is essential the HIP operates and is managed within the agreed funding levels.

3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – The adopted approach to health and safety was included in the December 2023 report to Council. This set out a hierarchical approach to where we would prioritise capital resources, specifically: "where the health and safety of staff and other service users, stakeholders, or visitors are at actual or potential risk (section 9.5)." One of the key objectives of the HIP is delivering a programme of improvements to our school estate with 91 of our 195 operational schools currently rated as "C – Poor" for condition and/or suitability. The HIP investment will in time significantly improve the overall performance of our operational estate.

3.5 **Gaelic** – The HIP will have a positive impact in relation to maximising the objectives of the Gaelic Language Plan. Several schools that currently deliver Gaelic Medium Education will be in scope for investment, with others potentially having the capacity to expand their provision. There are also opportunities to engage with the Scottish Government (SG) to secure capital finding for the specific purpose of investing in Gaelic education. The implementation of this approach will be modelled as part of the ongoing process.

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 As reported previously to Members, impact assessments are required for individual projects of the HIP and will be embedded in the projects early on and updated to ensure that projects are informed by the needs of different users, groups, and communities. The following provides an update of the approach to impact assessment across the different elements outlined within the report.

- **Phase 1 Projects –** All phase 1 projects will have an integrated impact assessment completed as part of the design programme process. This will ensure that the needs of different groups and communities are taken into account as part of the design process.
- **HIP Phase 1 Place Based Reviews –** A full impact assessment is being undertaken as part of the Statutory Consultation phase on St Clement's and the conclusions subject to review as part of the report to Council in December. Work is beginning on the impact assessment to support the development of the Thurso POD, which current staff and partner engagement will inform in addition to public stakeholder sessions from November. The assessment will be updated as the project progresses. This process will be mirrored as the Masterplanning approach progresses to other areas; an impact assessment will commence early in the process in order to inform the design and development of each POD.
- **TRACC –** An impact assessment was undertaken prior to launching the public consultation on the future of the provision of leisure services. The feedback from the public consultation has been analysed and summarised in the report referred to in Section 10 and the outcomes have informed the recommendation in this report.
- **Lochaber Adult Care Provision –** A critical component of the proposed masterplan will be to understand need. This will assist in informing the impact assessment which will be undertaken to accompany the masterplan for the Blar Mhor site.

5 Highland Investment Plan Financial Overview

5.1 The consolidated HIP is summarised below, reflecting the net programme (total project costs after external and other funding, i.e. the net programme met from borrowing and Scottish Government General Capital Grant) and shown in terms of its two core component elements; the core capital programme and the HIP element to be funded via the earmarking of a sum equivalent to 2% of council tax income each year. This totals £760.7m which is a slight increase from the last HIP report to Members totalling £756m, due to revisions to reflect adjusted carry forward from prior years and revision to Scottish Government General Capital Grant assumptions. These totals remain within the funding principles previously agreed by Members.

	Financial Years					£million
	25/26	26/27	27/28	28/29	29/30	5 Year Total
HIP	25.330	50.330	100.530	126.930	94.230	397.350
Core Programme	138.135	92.812	51.502	39.560	41.350	363.359
Consolidated HIP Totals	163.465	143.142	152.032	166.490	135.580	760.709

5.2 Reflected within this report are a number of new/additional proposals and expenditure commitments for decision by Members. The estimate cost of which is reflected within the totals below. Previous decisions by Members in relation to the HIP provided the sum of £9.330m p.a. for 'HIP other project priorities' and as reflected below, the new/additional proposals would be provided for from within that budget.

	New Commitments for Decision £m
TRACC	1.200
Other Community, Leisure & Sports Facilities as per this report	2.600
Total of the above	3.800

5.3 The May 2025 HIP report to Council highlighted a number of known or estimated project cost pressures and risks, reflecting both inflationary/contract cost pressure increases, as new or increased needs. With these estimated to be in the region of £15m-£20m in cost across the duration of the Plan. The Council agreed at that meeting that "officers progress actions to ensure the programme is managed within the overall funding envelope, as described within Section 7" (of that report). Officer review and work is ongoing in this regard, and considering a range of mechanisms to manage cost pressures including; review of external/project funding opportunities and assumptions, review of project and budget profiles, consideration of over-programming as a short-term mechanism to manage the Plan. As indicated at 5.2 above there also is budget capacity within 'HIP other project priorities' which may need to be considered to absorb some of these cost pressures. To aid ongoing management of the Plan and given there may be further new or emerging needs and proposals that may arise, it will be important the Council maintains some flexibility and capacity within its Plan going forward.

5.4 Future reports to Members will provide a report back on the review of, and solutions to managing identified cost pressures and risks within the agreed HIP funding envelope and provide an updated 5-year HIP and cost profile reflecting decisions to date and additional proposals within this report.

6 Procurement of Major HIP Projects

6.1 Members agreed the allocation of capital funding to the first group of Phase 1 projects at Beauly, Charleston, Dingwall, Dunvegan, Fortrose, Inverness High, and Thurso in March 2025. The previous capital programme approved in September 2023 included projects at Broadford Primary, Nairn Academy, Tain Campus, and a new primary school at Tornagrain. These 11 projects were subsequently incorporated in the consolidated HIP programme approved in May 2025. Construction work is underway on the Nairn and Tain projects.

6.2 Following a market testing exercise to review the various compliant strategic partnering and centralised purchasing arrangements that were available, Members agreed in March 2025 that hNSL would be taken forward as the chosen HIP delivery partner.

6.3 One of the next steps outlined in the March 2025 report was the introduction of a Commissioning Approval Board, chaired by the Assistant Chief Executive – Place, to determine capital contract awards including, but not limited to, the HIP.

6.4 The initial meetings of the Board have taken place, and it was agreed that hNSL would be instructed to progress with the projects at Beauly, Charleston, Dingwall, Fortrose, Inverness High, Thurso, and Tornagrain.

6.5 All these projects will be delivered on a design and build basis by hNSL who will appoint the required consultants and Tier 1 contractors. However, it is anticipated that the Council's in-house design team will be retained to provide architectural services for the Beauly and Tornagrain projects.

6.6 The Board also agreed that the current procurement process for the **Broadford Primary** project (incorporating the Library and Service Point), should continue and that Morgan Sindall would be appointed as the preferred contractor following the first stage of the tendering process. During the second stage of the process, Morgan Sindall will work with the Council's project team to finalise the contract sum by November 2025. The Stage 2 contract award will support a site start by December 2025, which would see completion of the new building by Spring/Summer 2027.

6.7 The design work for **Dunvegan Primary** is well advanced, following the same design principles as the Broadford Primary project and which can be applied to other similar projects in the future, such as Beauly Primary. The Commissioning Approval Board has given approval to enter into a pre-construction services agreement with Morgan Sindall following a similar process to Broadford. This would entail establishing total project costs for Dunvegan and exploring opportunities for economies of scale, should they be appointed to take forward both projects.

6.8 A robust procurement exercise has been undertaken by hNSL to identify and appoint the core design team consultants for each of the seven projects to be taken forward by hNSL. An exercise to identify the preferred main contractors for each of the projects is also underway and updated delivery programmes are being prepared for each project. Formal Stakeholder Groups will be convened to receive regular updates on progress.

7 HIP Phase 1 Place-Based Reviews

7.1 **Dingwall:** The statutory consultation process for the relocation of St Clement's to a new building on the proposed Community POD site is continuing, and a report on the outcome of the process will be presented to the the Education Committee meeting on the 25 February 2026 The third and fourth engagement workshops with stakeholders have been arranged and the outcomes of these will be incorporated into the briefing of accommodation requirements for the new St Clement's facilities. The co-location of education and community sports facilities presents an opportunity to establish a Centre of Excellence for Disability Sport at the Community POD. This would provide a regional focal point to facilitate the nurturing of talent, promote inclusivity, remove some of the barriers that may currently exist, and create equal opportunities for participation in a wide range of sports from swimming to wheelchair basketball and boccia. Access to opportunities in sport in the Highlands for people with disabilities is actively supported by various sports governing bodies and associated groups and this initiative has the full support of Sport Scotland, Scottish Disability Sport, Highland Disability Sport, and High Life Highland.

7.2 **Thurso:** Stakeholder engagement to explore opportunities through the place-based review has continued and a steering group, the Thurso Transformation Delivery Group (TTDG), has been established to continue to develop and drive progress and act as an umbrella consultation body for all opportunities emerging in Thurso. Key members include senior representatives from the Council, hNSL, NHS Highland, UHI North, West &

Hebrides, Dounreay NRS, High Life Highland, Focus North, Caithness Chamber of Commerce, Highland & Islands Enterprise, Environmental Research Institute and Caithness Community Planning Partnership, Caithness Voluntary Group, as well as Ward Members. Additional stakeholder organisations may be invited to join or contribute as the programme evolves. Public events providing an overview of the initial proposals for the Thurso Community POD will be held in November to enable members of the public, local groups, and organisations to engage with Council officers and partners and give the opportunity to provide views and feedback on this transformational project.

7.3 **Alness & Invergordon/Brora, Dornoch & Golspie:** Some preparatory work has been conducted on the place-based reviews in these locations, and it is proposed that detailed work and engagement will commence in November 2025. The format of these reviews will mirror the approach used in the Dingwall and Thurso workstreams incorporating lessons learned from the extensive work to date.

8 HIP Phase 1 Project Updates

8.1 This section sets out the progress being made on the other projects being taken forward and provides an overview of the work being undertaken in each location. Work to date has comprised an analysis of the accommodation requirements based on the capacity modelling methodology that has been developed. School roll forecasts, which incorporate projected future housebuilding levels included in the Housing Land Audit, are also considered. Each of these projects will consider the inclusion of additional "touchdown" accommodation that can be used by Council staff or public sector partners to reserve desks or meeting rooms through a booking system in line with the approach being taken on the Future Operating Model. The stakeholder groups for Charleston, Fortrose, Inverness High, and Tornagrain will be established after the October holiday period and initial meetings will be held before the end of 2025.

8.2 **Beauly:** Council officers have been collaborating with the stakeholder group to develop a place-based masterplan for Beauly comprising a new build Community POD, including a replacement primary school, on a new site and the purchase of land for future housing developments. The scope of the community facilities to be included in the new POD building is being finalised with High Life Highland and public sector partners.

8.3 **Charleston:** A planning masterplan for a phased redevelopment to eventually replace all the existing buildings on the campus, including the Community Complex, was approved in 2024. The inclusion of the project in Phase 1 of the HIP will allow the new building to be constructed as a single project instead of being built in a phased manner.

8.4 **Fortrose:** An extension block at Fortrose Academy was constructed around 20 years ago, but the remainder of the buildings are in poor condition. Initial briefing work is currently underway and the scope of the project comprises the demolition/rebuilding or refurbishment of these areas in a phased manner along with a new synthetic sports pitch. The facilities at the adjacent Black Isle Leisure Centre, operated by High Life Highland, are also being reviewed as part of this project.

8.5 **Inverness High:** This project comprises the final phase of refurbishment and partial rebuild to complete the overall retrofit programme for this "B" listed building that commenced in 2017. Previous phases focussed on the original 1930's building and the 1950's extensions, but the 1970's extensions (a classroom block and games hall) are of poor quality and require to be demolished and replaced. Initial briefing work is also

currently underway and the scope of the project comprises the demolition/rebuilding or refurbishment of these areas in a phased manner along with a new synthetic sports pitch.

8.6 **Tornagrain:** The statutory consultation process to establish a new primary school was concluded earlier this year. The design has been progressing and the procurement approach agreed as outlined in Section 5 with the new building programmed to be operational in April 2028.

9 Community, Leisure, and Sports Facilities

9.1 A Community, Sports, and Leisure Facility Strategy was approved by the Education Committee in November 2023. The report set out a two-stage approach to the development of vibrant community hubs in Highland communities incorporating community, sports, leisure, library, and other services as follows:

a) Stage 1 – the development of a Highland Council strategic framework for the development of community hubs as proposed in this report.
b) Stage 2 – the development of local plans at associated school group (ASG) area level which creates 29 plans for community, sport, leisure, library, and other facilities important to communities.

9.2 This approach, while appropriate at that time, pre-dated the establishment of the HIP. It has become apparent through the engagement undertaken with High Life Highland and other stakeholders on the place-based reviews that the strategy requires to be reviewed to ensure that it is aligned with the HIP objectives. One of the key differences will be to review facilities and provision across larger geographical areas instead of individual ASG's. The strategy should also cover the requirements for regional or district facilities for certain sports and activities to ensure that there is a consistent approach to reviewing this type of provision. Members are asked to approve the development of a revised Community, Sports, and Leisure Facility Strategy along these lines to meet future needs and support investment decisions including the HIP Phase 1 and future priorities.

9.3 **Invergordon Academy – Synthetic Pitch:** There is an opportunity to provide a new synthetic pitch at Invergordon Academy in partnership with Invergordon FC and Ross County FC. The proposed access arrangements are being finalised, but the Academy and Primary schools will have priority during school hours, and High Life Highland will also have some access for community lets. Invergordon FC will be submitting a funding application to the Scottish Football Association early next year that will be supported by a plan for coaching and training to be provided at the new facility by Invergordon FC and the Junior Club across all age groups and for Ross County to provide coaching and training for girls of all ages and for use by its women's team. The Council's funding contribution would be proportionate to the overall level of access for school and community use, e.g. if the total project cost was £1.2M and Council access would be for 50% of the operational hours, then the capital contribution would be a maximum of £600K. Maintenance and life cycle requirements will be incorporated into a management agreement between all parties. It is recommended that Members approve this partnership approach to provide a facility that will enable increased participation opportunities for the Invergordon community.

9.4 **Inverness Campus – Synthetic Pitch:** A planning application has been submitted for a new floodlit synthetic playing field with modular changing accommodation at Inverness Campus as the first phase of an eventual masterplan for a range of facilities at the Campus. The total project cost is estimated at £1.5M and the Council would own the new

facility. Funding secured to date comprises £350K from the 2025/26 UK Shared Prosperity Fund; £100K from Developer Contributions, £127K from the Town Centre Fund and £335K from the Place Based Investment Programme. It is recommended that additional capital funding is allocated to allow this project to proceed.

9.5 **Aquadome and Leisure Centre – Building Improvements:** The March 2025 report set out the need for substantial capital investment at the Aquadome and Leisure Centre to maintain and expand these facilities, address life-cycle priorities, and provide a sustainable facility to cope with increased demand. A feasibility study has been initiated to identify the required investment in the building to achieve these aims. However, the immediate priorities for investment in the buildings are the reconfiguration of the main reception area, installation of doors to separate the wet and dry side facilities to reduce energy use, and wider energy improvement works, and it is recommended that capital funding should be allocated for the first phase of improvements to the building.

9.6 **Queens Park Stadium – Resurfacing of Running Track:** Investment is also required to sustain the athletics training and regional competition level facilities adjacent to the Aquadome. A project has been initiated to take forward the planned replacement of the running track surface at the Queens Park Stadium which had the necessary accreditation for the 2025 athletics season but is nearing the end of its design life, and improvements to the pole vault area. Opportunities for external funding are being explored with a view to having a project ready to commence on site in April 2026. High Life Highland will consult with Inverness Harriers and other user groups to discuss alternative arrangements to minimise disruption while the resurfacing work is underway. The budget required for this is being established and will be dependent on the external funding that can be secured, but again it is recommended that capital funding should be allocated to support this project.

9.7 While work is ongoing to establish the full scope of these projects and the external funding that will be available, it is recommended that capital funding is allocated for the immediate priorities at the Aquadome and Leisure Centre, the resurfacing of the running track surface at the Queens Park Stadium, the new floodlit synthetic playing field and changing accommodation at Inverness Campus, and the proposed new synthetic pitch at Invergordon Academy. At this stage it is estimated that up to £2.6M would be required for these projects as detailed below and to also provide for the strategy development described in this report and Members are asked to approve capital funding from the allocation for other HIP priorities as outlined in the March 2025 report to allow these projects to proceed.

- Invergordon Academy Synthetic Pitch - £0.6M (maximum)
- Aquadome & Leisure Centre Phase 1 Works and Queens Park Track - £1.3M
- Inverness Campus Synthetic Pitch - £0.6M
- Sports Strategy Development £0.1M

9.8 Work is progressing to develop proposals for capital investment in facilities in Dingwall, Thurso, and the other HIP Phase 1 POD locations. This will include a review of the management and operating arrangements for the Highland Football Academy facilities in Dingwall and Inverness to determine future investment priorities. An update will be provided to a future Council meeting.

10 Tain Royal Academy Community Complex

10.1 The new Tain Campus building will see Tain Royal Academy, Craighill, and Knockbreck Primary Schools (combined to form a new Tain Primary School), and St Duthus School co-located in modern, fit-for purpose facilities. It has recently been confirmed that the new building will be operational in February 2026.

10.2 The TRACC facility is a separate building on the current Academy site and is more than 50 years old. It is reaching the end of its natural lifespan and will continue to deteriorate without further investment.

10.3 The sports facilities at the new Tain Campus will include:

- A 4-court games hall,
- A 2-court games hall,
- A dance studio along with
- A full-sized synthetic pitch,
- A full-sized grass pitch,
- A 7-a-side synthetic pitch and 3 multi-use games areas.

10.4 The TRACC facilities currently comprise:

- A 4-lane 20-metre swimming pool,
- A fitness suite,
- A 4-court games hall,
- Two smaller sports halls,
- Along with access to a full-size synthetic playing field and 2 grass pitches (which will be decommissioned once the new Tain Campus is operational).

10.5 The site of the new Tain Campus was previously acquired for housing development. It was subsequently agreed that the existing Craighill Primary and Tain Royal Academy sites would be cleared and transferred to the Housing Revenue Account in exchange for the new site.

10.6 Although the Tain Campus project predates the HIP approach, a full place-based review of all assets in Tain is being undertaken. This includes the sites at Knockbreck Primary and St Duthus School (including the former Duthac House) that will become surplus to operational needs once the new campus building has opened. Local services will continue to be delivered from the Public Library, Social Work Office, and Service Point buildings.

10.7 The Council launched a public consultation in May 2025 on five potential options for the future of leisure services currently provided at TRACC to establish the views of the Tain community on these options and their potential impact. The consultation ran for 12 weeks and closed on 1st August 2025.

10.8 The responses to the consultation have been summarised and analysed in the document that is available to view at this link. In summary, there is a clear consensus that the community wants significant investment, either through a new build or full refurbishment. Closure and minimal refurbishment are overwhelmingly rejected, and the majority see TRACC's current state as unsustainable and demand a long-term solution. Closure without replacement (Option 5) is rejected, while Option 1 (minimal works) is seen as a stopgap that fails to address real issues.

10.9 There was significant support for a further “Option 6” that would see the TRACC building retained with only the minimum of work carried out to separate it from the rest of the Academy buildings while longer term options are pursued. A steering group has been established to look at these options, determine the future requirements and explore potential funding opportunities for a new building.

10.10 The timescales for a future new build adjacent to the Campus building would be dependent on the time required to secure the necessary funding. There is currently no funding allocated in the Council’s capital programme for any of the options included in the consultation.

10.11 The estimated cost of the proposed additional option to separate the TRACC building from the Tain Royal Academy buildings with the minimum of improvement work is £1.2M. The previous lowest cost option (Option 1) to separate and partially upgrade TRACC was £4M. The time to design, tender and complete the separation works could be between 9 and 12 months. This is dependent on obtaining quotes from SSEN and Scottish Water to upgrade utility supplies, which is often a lengthy process.

10.12 The works would comprise the following:

- New LPG boilers and conversion of the existing plant room with new controls.
- A new cold-water supply and alterations to the hot and cold-water installations.
- Alterations to the existing drainage installation.
- An upgraded separate electrical supply.
- Alterations and upgrading of the IT, fire alarm, security, and CCTV installations.
- All associated builders work, tracking and connections.

10.13 If approval is given to proceed with the proposed option, then the key milestones would be as follows.

a) Handover and occupation of new Tain Campus building – February 2026.
b) Demolition of Craighill Primary buildings – April 2026.
c) Estimated completion of TRACC separation works – August 2026, subject to commitments from the statutory utility providers.
d) Estimated demolition of Tain Royal Academy buildings – October 2026.

10.14 Members are asked to approve the allocation of £1.2M of capital funding from the “other HIP priorities” budget as outlined in the March 2025 report to enable the TRACC facility to be retained as a separate standalone building for a period of up to 5 years. This would provide time for the steering group to develop a full business case, seek appropriate approvals, and explore funding opportunities to meet the total cost of providing replacement community facilities alongside the new Tain Campus building. Should the replacement project be completed then the TRACC facility would be decommissioned, demolished and the site allocated for housing development as originally intended.

11 Community Benefits Plan

11.1 A collaborative community wealth building and community benefit strategy has been developed to outline how hNSL and the Council will work collaboratively and in alignment with the Council’s community benefit policy and community wealth building strategy and informed by the strategic objectives of the Highland Outcome Improvement Plan.

11.2 There is ongoing engagement between the Council and hNSL to develop Community Benefits Plans for each project. Each project plan will have project specific targets that will be tailored under the following key themes:

a) Education, employability, and skills.
b) Communities, community organisations, and community projects. The Council's Project Bank will help identify and better understand community organisations that require support, enabling more targeted and effective assistance.
c) Local economic development.
d) Environmental activities to protect and enhance the environment.
e) Fair work practices (e.g. the Council's Employer Charter).
f) Prompt Payment of Supply Chain Covenant.
g) Case studies.
h) Promotion of Local Authority key priorities e.g. cascading key Council priorities through contractor's internal channels.

11.3 Each community benefit project plan will contain a key partner directory which will include contact details for key partners, e.g. the Armed Forces Covenant. It will also contain a key initiatives section which will outline the expectations on the types of engagement and activities to be delivered and will also reference the Highland Council Project Bank. The project specific community benefits plan will also link into activities relating to the Construction Skills Academy.

12 Construction Skills Academy

12.1 Over the next 10 to 15 years, the Highlands and Islands are set to benefit from up to £100 billion in investment, driven by renewable energy generation, transmission, and distribution. This includes £2.1 billion of HIP investment across Highland, sustaining local supply chains and providing opportunities for growth. This presents a once-in-a-generation opportunity to transform the regional economy. However, with a declining and aging population, the region faces a significant workforce challenge.

12.2 To capitalise on these investments, it is estimated that the workforce would require at its peak an additional 16,250 people. It is therefore crucial that the region builds the workforce, achieved through a collaborative co-investment approach from partners in the Highlands and Islands. To address the workforce challenge, **Workforce North,** has been launched by Skills Development Scotland, Highlands and Islands Enterprise, the University of the Highlands and Islands, and key partners including Highland Council and the Inverness and Cromarty Firth Green Freeport.

12.3 **Workforce North** aims to deliver on this ambition through five workstreams.

- An extensive campaign to engage and inspire all pupils in our schools and individuals in our communities across the Highlands and Islands to better understand and respond to the scale of opportunities, growing a sustainable future talent pipeline.
- Developing the future workforce by expanding experiential career learning, increasing Foundation Apprenticeship provision, and improving access to work-based learning job opportunities via focussed interventions in schools and communities.
- Expanding apprenticeships through co-investment in industry led vocational, technical and apprenticeship provision, significantly increasing the numbers of young people in vocational & apprenticeship pathways.

- Increased upskilling and reskilling initiatives through public and industry collaboration to increase the number of individuals able to respond to the emerging economic opportunities.
- A major talent attraction and retention programme to entice working-age people to the region and encourage those who have left to return.

12.4 To further progress the above ambitions there have been initial discussions regarding the establishment of a Construction Skills Academy (CSA) to provide the skills, training, and employment opportunities in local communities to address the skills and labour shortage across the Highland area. This would require a range of initiatives, such as on-site training, work experience, establishing career progression pathways, pre-apprenticeship and apprenticeship opportunities, mentoring, skills development, and supporting individuals in working towards industry-recognized qualifications. The Highland Council along with a range of stakeholders has recently set out a collective vision for creating a workforce for the future, called “My Highland Future: A Regional Skills Programme (Plan on a Page)”, which is set out in detail at Appendix 1. This plan sets out specific actions and outcomes on how we will enable economic transformation and create employment opportunities and pathways for success.

12.5 Ongoing planning and activities will include data analysis to be shared to understand demand and inform decisions and the establishment of a CSA. The following are some examples of potential CSA activities:

a) a coordinated campaign to raise public awareness of the future workforce opportunities.
b) learner-centred and education pathway planning on future careers; and
c) career programmes, STEM (Science, Technology, Engineering and Mathematics) inputs, entrepreneur programmes, class-based learning about the future opportunities and input from Skills Development Scotland.

12.6 This would include a targeted programme to ensure that young people have the chance to experience a vocational qualification, an expanded offering of Foundation Apprenticeships and Modern Apprenticeships, targeted Entrepreneur Development programmes which enable people to undertake the path to creating businesses, and increased opportunities for internships. This would be supported by school-based interventions for those at greatest risk of exclusion from the labour market, and employability pathways for adults not in employment or training.

13 Work to Support the Highland Housing Challenge

13.1 **Build to Rent:** The Council and hNSL are proposing to co-design, develop, and publish a Housing Market Intelligence report focused on the City of Inverness, which will set out a supply and demand analysis with a focus on Build to Rent (BTR). If the findings indicate favourable conditions and demand for BTR, an investment prospectus could be developed and taken to the market as the next step.

13.2 **Territory Wide Housing Needs Demand Assessment:** hNSL has commissioned a territory-wide analysis of all housing needs and demands across all its eight local authority shareholders. This work is being developed with Built Environment Smarter Transformation and the Scottish National Investment Bank and will inform how a programme approach could improve delivery and outcomes. This will complement the Highland wider Housing Need Demand Assessment which is currently underway and will be submitted to Scottish Government in Spring 2026.

13.3 **Hub Institutional Finance Model:** Over the past five years, the Hub programme has developed the Hub Institutional Finance Model (HIFM) and has been working with the SG's More Homes Division and Ministers on the potential of the model to secure inward investment and to deliver more homes. SG has committed to taking forward a HIFM pilot project, with key worker housing for NHS Highland a front-runner project. hNSL in the reporting period has facilitated a workshop with the Council on the HIFM, to share knowledge and explore potential opportunities.

13.4 **Local Housing Strategy (LHS):**

The LHS vision for Highland is that:

"*Everyone in Highland has access to a quality home which is attainable, affordable and supports the local economy in a sustainable, connected community where people wish to live, work and study.''*

The HIP is a key vehicle for helping the LHS vision to become a reality. It provides support for the Council Programme priority to develop housing options that help vulnerable and elderly adults to be cared for close to home and their community; and the Delivery Plan's focus on whole family wellbeing, supporting children to be 'Home in Highland' rather than in out of authority care or expensive commissioned placements. The investment of capital in these types of supported accommodation will deliver better outcomes for the most vulnerable people in Highland whilst at the same time, help to deliver more sustainable services and address some of the Council's revenue challenges. Shifting focus to prevention rather than crisis management; enabling more cost effective and high-quality Council-provided care for children; more flexible provision for adults at every age and stage of their lives; and supporting public sector reform more widely.

14 Lochaber Adult Care Provision

14.1 As reported previously to Members, work has been progressing to explore the future model of adult social care within Lochaber, in response to the issues at Moss Park Care Home. The Highland Health & Social Care Partnership is currently working on the Adult Social Care commissioning strategy pan Highland. This work is based on the evidenced need for care using the Joint Strategic Needs Assessment and activity data and what services are needed and where. A commissioning plan is being developed to identify the actions for the Partnership to be able to then deliver on the commissioning intentions

14.2 A data model is being produced to enable an understanding of Adult Social Care (ASC need into the future that will then inform the process of developing the commissioning plan. Work on engaging with the communities and groups in Lochaber on the transformation of ASC to include the principles of Community Led Support, local care models and SDS is due to begin at the Community Planning Partnership event on 12 November in Fort William. A collaborative co-design approach to delivering change with the communities will be adopted including a consideration of alternative models of providing accommodation to those who can no longer to be supported safely to remain in their current homes.

14.3 The Partnership has publicly committed to operating Moss Park only in the medium term, "*until alternative sustainable models of provision in Lochaber can be established in the long term*" later clarifying that "*we anticipate needing services to continue at Moss Park for around two to three years*". Although no definitive date has been given it is anticipated that the Care Inspectorate will be seeking an alternative to the current provision in Moss Park by March 2028.

14.4 With this in mind, a Masterplan is being developed for the Blar Mhor site in Fort William, located next to site of the proposed new Belford Hospital. The Masterplanning work is being supported by hNSL, in partnership with NHS Highland in order to deliver an approach which links acute hospital provision with community health and adult social care services, together with local housing solutions. The Blar Mhor site is also adjacent to the medical centre, existing housing and good road links, making it a potential location for any future supported accommodation. This option would include the development of community space encompassing supported accommodation for people requiring an enhanced level of care, including the necessary infrastructure to enable this to operate. The Masterplan process will test the suitability of the new site and the infrastructure required to enable service delivery, including potential housing solutions for key workers. The Masterplan will be shaped and informed by the recently developed Joint Strategic Needs Assessment and will be consistent with the Partnerships Strategic Plan. The Adult Social Care Commissioning Strategy, which is being developed by NHS Highland, will inform the proposed operating model for any supported accommodation. Members are therefore asked to approve the development of the Blar Mhor site Masterplan, in consultation with local stakeholders.

Designation: Assistant Chief Executive – Place

Date: 16 October 2025

Authors: Finlay MacDonald, Chief Officer - Property & Assets
Brian Porter, Chief Officer - Corporate Finance
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Appendices: Appendix 1 - My Highland Future: A Regional Skills Programme (*Plan on a Page*)

Background Papers:

a) Establishing the Highland Investment Plan and Mechanisms to Fund and Deliver It (May 2024) Report
b) Highland Investment Plan – Next Steps (June 2024) Report
c) Highland Investment Plan – Progress Update (October 2024) Report
d) Highland Investment Plan – Progress Update (December 2024) Report
e) Highland Investment Plan – Progress Update (March 2025) Report
f) Highland Investment Plan – Update (May 2025) Report
g) Highland Investment Plan and Thurso Masterplan – Update (June 2025) Report

Appendix 1

My Highland Future: A Regional Skills Programme (Plan on a Page)

The model below captures the feedback from a broad range of stakeholders at the recent Workforce North Summit. The broad agreement on these elements constitutes a call to action. Pledges will be sought from various private and public sector organisations to build the programme.

Why	How			What
Vision for Creating Our Future Workforce	**Key Systems We Will Deploy to Do So**			**Outputs We Will Achieve Together**
The vision for the future is expressed in a number of key entitlements: • All children and families learn about the opportunities and challenges of energy in the Highlands and how it is at the heart of the UK's future security • All children and families learn about this in relation to the world of 2050 that they will live through • All children experience work-related learning about career options in Highland • All families have access to information and activities to help inform them • Adults who require it, have opportunities to reskill themselves to seize opportunities • Highland can demonstrate a full employment model.	There is a core lifelong offering to engage with 31,000 children in schools and parents in understanding the vision for the future green economy of the Highlands, which relates to the Regional Workforce and DYW Plan, focusing on construction, engineering and care:			We will enable change by: • Deploying partnership resources in a shared apprenticeship • Gaining pledges from Highland employers to support agreed programmes and put these on our strategic map of supply side solutions • Demonstrate the performance of our programme and build the confidence of future investors to relocate • Align all sources of funding to the plan • Building a partnership team which can demonstrate its impact (business growth, GVA, job creation) • Increase the numbers of business mentors, STEM ambassadors and work experience programmes across Highland
	Universal Programme What everyone can experience	**Targeted Programme** Additional support for individuals and groups	**Intensive Programme** Those most at risk or on elite pathways	
	• A major campaign to raise public awareness of the future workforce opportunities in the area and to galvanise talent attraction • Learner-centred Early Years Programmes address future careers & unconscious bias • Through the BGE, family-centred activities to learn about careers and entrepreneurship (including careers fairs, STEM inputs, entrepreneur programmes, class-based learning about the future opportunities and SDS inputs) • In the senior phase, all young people have access to careers coaching and mentoring, with specific careers advice and guidance.	• All young people have the chance to experience a vocational qualification as part of their senior phase • All young people have the chance to experience a digital programme as part of the senior phase • There will be an expanded offering of Foundation Apprenticeships and Modern Apprenticeships across the partnership (focusing on key priorities of engineering) • Targeted Entrepreneur Development programmes which enable people to undertake the path to creating businesses • Increase opportunities for internship – try before you buy schemes.	• School-based interventions for those at greatest risk of exclusion from the labour market • Employability support for all adults not in employment or training (Employability Pathway) • Bespoke vocational path for children with ASN • Job academies for Care Experienced Young People • Optimise DWP schemes for those with disabilities • Accelerated degree pathways (including Graduate Apprenticeships) for young people incorporating HNC provision in S6, HND and Degrees through UHI (supported by Industry) • Increase the numbers of research degrees available in the area as part of an integrated approach to developing Research & Development	
The Values Shaping our Partnership	**Our Processes and Resources to Support Development**			**Outcomes We Will Deliver Through**
Key values shape our programme: • We are global in outlook and local in action – and are focused on creating a positive personal, family and economic future for people • We are scientific and data intelligent in approach. We are focused on ensuring Highland communities thrive • We promote diverse communities, and we are inclusive – especially as we welcome a future workforce • We promote green energy as part of a sustainable future – and look across disciplines to do so • We provide hope for the future, where there is doubt about sustainability.	There is a single team approach across all agencies to delivering the future workforce that the region needs. All partners support and align to these processes to secure our objectives.			We measure success by how we enable economic transformation and create a future workforce: • Growing our activity and completion rates for the Family of Apprenticeships (FA, MA, GA) • Attracting talent to the area (people by sectors and skills) • Retaining young people in the area • Delivering key entitlements in the 'My Highland Future Programme' to successful universal, talented & intensive programmes • Adding value to the economy (measured in GVA and average wage increases) • Reducing vacancy rates for employment positions • Increasing economic activity for key groups • Growing the numbers of jobs to achieve our area targets.
	Strategic Mapping / Data Management Ensuring we are scientific in approach	**Partnership Coordination** There is a single team approach	**Alignment of Resource** All partnership resources are transparently shown	
	• There is regional mapping of business workforce employment demand by area, sector and company type • There is regional mapping of supply side solutions by both public and private sector partners • There is systematic gathering of data to facilitate planning and coordination – based on labour market insights and regional skills assessments • The workforce demand is mapped to the related challenge of providing an appropriate future housing supply to create the conditions for success	• Across the partnership there is a single team concept (based on the rugby team structure) for matching supply to demand • There is a central, coordinating team, anchored by Highland Council, but incorporating key partners to enable planning – relating to the DYW boards • Sector skills boards established to enable more effective pathways for specific industry areas • Secure industry pledges for aspects of the 'My Highland Future' programme' – to map industry contributions, based on what employers prioritise to solve their recruitment issues • A shared apprenticeship programme to align of potential employees for future opportunities to enable 'over-supply' 'over-training'.	• All partnership resource will align to the broad 'My Highland Future' skills plan • We align the Green Freeport NICs to the Powerhouse Plan, which is embedded in this 'My Highland Future Plan' approach • There is local coordination of programmes • There is a live date base of offerings • Map delivery vehicles for skills (state, 3rd & private sector) & consider their functionality within current and future system delivery • Enable infrastructure investment to build capacity (state, 3rd & private sector) • Supply investment from employers to fund the future systems (procurement; levy; THC – Social Value from Renewables, etc.).	