

Agenda Item	14
Report No	HP/45/25

The Highland Council

Committee: Housing and Property

Date: 5 November 2025

Report Title: Delivery Plan Monitoring and Progress Update Q2 2025-26 – Reconfiguring our Asset Base; Net Zero, Energy, Investment & Innovation

Report By: Assistant Chief Executive - Place

1 Purpose/Executive Summary

1.1 The Highland Council's Delivery Plan 2024-2027 is structured around a portfolio management approach, 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 15 May 2025. 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

- Workstream - Single Property Service
 - New Trades Framework
 - Terra Tracker
- Workstream - Highland Investment Plan
 - Affordable Housing Programme
 - Single Public Estate – New Area Community Pods
 - Improve Asset Condition / Reduce Risk for General Fund Assets

Net Zero, Energy Investment & Innovation Portfolio

- Workstream - Energy Estate
 - Energy Efficient Homes

1.3 The content and structure are intended to:-

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

2 Recommendations

2.1 Members are asked to **scrutinise** and **note** progress to date and forward plans as outlined in the report.

3 Implications

3.1 **Resource** - There are no implications arising as a direct result of this report.

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 implications arising as a direct result of this report.

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 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 report and therefore an impact assessment is not required.

5 Delivery Plan - Reconfiguring our Asset Base

5.1 **Workstream - Single Property Service: New Trades Framework**

5.1.1 **OVERALL RAG**



The project is ragged as Green. Recommendations to the Project Board in September and October were approved for the contractor and member engagement briefings. The project remains on track for the Trades Framework to be deployed by April 2026.

5.1.2 Key Milestones, Measures of Success

MILESTONES		CURRENT STATUS
<i>Starts Apr24 / Completes Jun24</i>	New Trades Framework: New project manager approved	M2 25/26 Completed
<i>Starts Apr24 / Completes Mar27</i>	New Trades Framework: Highland Trades Framework deployed	M6 25/26 On Target
<i>Starts Mar25 / Completes Aug25</i>	New Trades Framework: Define the types of repair work that are in Scope for the Framework - Housing	M6 25/26 Completed
<i>Starts Mar25 / Completes Aug25</i>	New Trades Framework: Define the types of repair work that are in Scope for the Framework - Property	M6 25/26 Completed
<i>Starts Apr25 / Completes Apr26</i>	New Trades Framework: Phase 1 Inner Moray Firth operational	M6 25/26 On Target
<i>Starts Oct25 / Completes Dec25</i>	New Trades Framework: Invitation to Tender Process - Housing	
<i>Starts Oct25 / Completes Dec25</i>	New Trades Framework: Invitation to Tender Process - Property	
<i>Starts Jan26 / Completes Feb26</i>	New Trades Framework: Tender evaluation - Housing	
<i>Starts Jan26 / Completes Feb26</i>	New Trades Framework: Tender evaluation - Property	

Measures of Success

New Trades Framework: Contract monitoring reporting - Property [reporting starts Q1 26/27]
New Trades Framework: Contract monitoring reporting - Housing [reporting starts Q1 26/27]
New Trades Framework: In-house repairs team service is cost-efficient - Housing emergency repairs [reporting starts FY26/27]
New Trades Framework: Comparison of Tenant and service satisfaction [reporting starts Q1 FY26/27]
New Trades Framework: Comparison of Satisfaction for Property Service repairs [reporting starts Q1 FY26/27]

5.1.3 Financial Summary

Saving:

 New Trades Framework - FY 25-27	£ 150,000
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Financial savings are for the financial year 2026/27, once the new framework is in operation.

5.1.4 **Key Risks**

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
New Trades Framework: Internal costs of managing the framework become unmanageable	4	Tolerate
New Trades Framework: Higher contractor costs to the Council as a result of Framework	4	Tolerate
New Trades Framework: New Trades Framework not in place for 1st April 2026	4	Tolerate
New Trades Framework: Availability of Local Trades to come on to the Framework	4	Tolerate

5.1.5 **Forward Plan**

The focus of the Housing and Property working groups has been to develop and refine the tender specifications so that they encourage local contractors to tender, the majority of whom already deliver reactive repairs to Council properties. A key objective has been to ensure that local contractors fully understand the engagement process to enable them to present viable/compliant tender returns.

5.2 **Workstream - Single Property Service: Terra Tracker**

5.2.1 **Overall RAG**



This project is ragged as Green. All milestones are on target and the financial savings have been met.

5.2.2 **Key Milestones**

MILESTONES		CURRENT STATUS
<i>Starts Apr24 / Completes Apr24</i>	Terra Tracker Milestone: Project Commencement	M1 24/25 Completed
<i>Completed April 2024</i>	Terra Tracker Milestone: Initial roll out of map-based Terra Tracker to stakeholders	M1 24/25 Completed
<i>Starts Apr24 / Completes Oct24</i>	Terra Tracker Milestone: All datasets identified/available - internal	M2 24/25 Completed
<i>Starts Oct 25 / Completes Mar 26</i>	Terra Tracker Milestone: Transfer to Business as Usual for ongoing update & maintenance	

Measures of Success

Terra Tracker: Increasing no. mapped & digitised titles [reporting starts Q1 24/25]	2,431
Terra Tracker: No. of previously unrecognised titles mapped [reporting starts Q1 24/25]	1,120
Terra Tracker: Stakeholder Satisfaction [reporting starts FY23/24]	97 %

5.2.3 **Financial Summary**

 Asset Review: Terra Tracker - FY 24-26	£ 405,000
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5.2.4 **Key Risks**

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
Terra Tracker: Missing Internal Records	4	Tolerate
Terra Tracker: Enablement of inaccurate title claims	4	Tolerate
Terra Tracker: Project Slippage	10	Tolerate
Terra Tracker: Scope Creep	1	Tolerate
Terra Tracker: Restructuring	4	Tolerate
Terra Tracker: Low Cooperation	4	Tolerate

5.2.5 **Forward Plan**

Progress towards increasing the number of mapped and digitised titles continues. Note - This has slowed down numbers during Quarter 1 and 2 2025/26 due to HRA titles being larger and taking a longer period of time, it has also had an impact on the number of previously unrecognised titles mapped due to HRA titles mostly being known.

5.3 **Workstream - Highland Investment Plan: Affordable Housing Programme**

5.3.1 **Overall RAG**

Project: Affordable Housing Programme

R	●
A	●
G	●
C	●

This programme is ragged as Green (on target). The Programme on site will delivery the units as forecast, project completions are on target and new project approvals are on target to be committed.

5.3.2 **Key Milestones, Measures of Success & Requests for Change**

MILESTONES		CURRENT STATUS
<i>Completed in January 2024</i>	Deliver Affordable Housing: Strategic Housing Investment Programme approved	M10 23/24 Completed
<i>Starts Apr24 / Completes Sep24</i>	Deliver Affordable Housing: Housing revenue Capital Plan agreed	M5 24/25 Completed
<i>Starts Sep 24 / Completes Dec 25</i>	Deliver Affordable Housing: Alternative finance model delivered	M6 25/26 On Target
<i>Starts Apr25 / Completes Jan26</i>	Deliver Affordable Housing: Housing Revenue Account Capital Plan - 25/26 Approved	M6 25/26 On Target
<i>Starts Jun25 / Completes Nov25</i>	Deliver Affordable Housing: Strategic Housing Investment Programme approved for 2026-2031	M6 25/26 On Target

Request for change

A request for change was approved by the Reconfiguring our Asset Base Board for the milestone - Alternative Finance model delivered. The target date was originally September 2025, the Board approved this to be extended to December 2025. There is an ongoing process of engagement with Scottish National Investment Bank and developers to assess whether there is an alternative finance model that will work in the Highland setting.

Measures of Success

Deliver Affordable Housing: New houses sustain rural communities [reporting starts 2024/25]	14
Deliver Affordable Housing: No. key worker homes made available avg p.a. 2022-27 CP3.08	10
Deliver Affordable Housing: No. affordable houses built by others per year 2022-27 CP3.03	175
Deliver Affordable Housing: No. council houses built/ purchased per year 2022-27 CP3.01	189
Deliver Affordable Housing: % of SG Resource Planning Allocation Spent [reporting starts FY24/25]	100 %

During 2024/25, the Council delivered 12 homes in rural remote areas and a further two were delivered 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. 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.

5.3.3 Financial Summary

There are no current savings, income or investment financial indicators associated with this project.

5.3.4 Key Risks

The following Key Risks are set up in PRMS, which the Reconfiguring our Asset Base (ROAB) Portfolio Board are sighted on:-

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
Affordable Housing Programme: Affordability of Constructing New Housing	12	Tolerate
Affordable Housing Programme: High inflation/interest rates	12	Tolerate
Affordable Housing Programme: Contractor Capacity	4	Tolerate
Affordable Housing Programme: Reduced Public Sector Funding	0	Closed

5.3.5 **Forward Plan**

There have been a series of meetings with the Scottish Government and other stakeholders in preparation of the new Strategic Housing Investment Plan. The Plan includes information on a number of potential development projects across Highland and is the subject of a separate report to this Committee. On approval, it will be Submitted to the Scottish Government for verification.

This workstream is in the process of being updated to provide updates against the Highland Housing Challenge Action Plan. An update will be provided to the January meeting of this committee.

5.4 **Workstream - Highland Investment Plan: Single Public Estate – New Area Community Pods**

5.4.1

Project: Single Public Estate - New Area Community Pods

R ●
 A ●
 G ●
 C ●

This project is ragged Amber due to the Financial Savings Indicator: Asset Review - Demonstrator Projects having an actual to date and current forecast of 0 against the target of £75,000. A Financial Report on the consolidated HIP Programme was approved May 2025. There has been steady progress on the overall programme and agreeing priorities, with general cross-Member support. The update report in June focused on the Thurso project and a further update report will be provided to the Council meeting on 30 October.

5.4.2 Key Milestones, Measures of Success & Requests for Change

<i>Starts Apr24 / Completes Mar27</i>	Single Public Estate: Programme commences	M7 25/26 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	M2 25/26 Completed
<i>Starts Apr25 / Completes Jun26</i>	Single Public Estate: Beaulieu - Pre-Construction Activities	M7 25/26 On Target
<i>Starts Apr25 / Completes Mar27</i>	Single Public Estate: Charleston - Pre-Construction Activities	M7 25/26 On Target
<i>Starts Apr25 / Completes Dec26</i>	Single Public Estate: Dingwall - Pre-Construction Activities	M7 25/26 On Target
<i>Starts Apr25 / Completes Dec25</i>	Single Public Estate: Dunvegan - Pre-Construction Activities	M5 25/26 On Target
<i>Starts Apr25 / Completes Dec26</i>	Single Public Estate: Fortrose - Pre-Construction Activities	M7 25/26 On Target
<i>Starts Apr25 / Completes Dec26</i>	Single Public Estate: Inverness High - Pre-Construction Activities	M7 25/26 On Target
<i>Starts Apr25 / Completes Nov27</i>	Single Public Estate: Thurso - Pre-Construction Activities	M7 25/26 On Target
<i>Starts Apr25 / Completes Dec25</i>	Single Public Estate: Alness and Invergordon - Confirm Project Scope and Location(s)	M7 25/26 On Target
<i>Starts Apr25 / Completes Dec25</i>	Single Public Estate: Brora, Dornoch and Golspie - Confirm Project Scope and Location(s)	M7 25/26 On Target
<i>Starts Apr25 / Completes Dec25</i>	Single Public Estate: Other Locations - Confirm Project Scope and Location(s)	M7 25/26 On Target

5.4.3 Financial Savings

£	Asset Review: Demonstrator Projects - FY 24-27	£ 0
£	Implement Network of Community Facilities for Services - FY 25-27	£ 0

Demonstrator Projects – FY 24-27

The Portree demonstrator project will not be completed until the end of the 25/26 financial year so any savings will not be realised until 26/27

Implement Network of Community Facilities for Services – FY 25-27

These savings are related to HIP Projects that are only just getting off the ground e.g Dingwall and Thurso - Savings are not going to be realised for several years - No savings achieved as yet.

5.4.4 **Key Risks**

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

5.4.5 **Forward Plan**

The Highland Investment Plan update report to the Council meeting in October updated on progress to date on the various Phase 1 projects and place-based reviews that are underway and set out the next steps. These include further development of the projects and establishment of stakeholder groups for each one, continuing the place-based reviews in Dingwall and Thurso, and initiating the next reviews in Alness/Invergordon and Brora/Dornoch/Golspie.

5.5 **Workstream - Highland Investment Plan: Improve Asset Condition / Reduce Risk for General Fund Assets**

5.5.1 **Overall RAG**

Project: Improve Asset Condition / Reduce Risk for General Fund Assets	R ● A ● G ● C ●
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This project has been classified as AMBER. There have been challenges recruiting to all the necessary property surveyor positions for the in-house surveying team responsible for the delivery of the 5-year rolling survey programme. However, five of the six posts have now been filled and we are actively recruiting to fill the remaining post. The surveys have identified a significant level of backlog maintenance across the Estate. Whilst revenue repair budgets are limited, there is a significant Highland Investment Plan in place to improve the overall condition and performance of our Estate.

5.5.2 Key Milestones, Measures of Success & Requests for Change

MILESTONES		CURRENT STATUS
<i>Starts Apr24 / Completes Mar29</i>	Improve Existing Asset Condition: Approved 5 year Generic Property Budget 2024-2029	M6 25/26 On Target
<i>Starts Oct24 / Completes Jan25</i>	Improve Existing Asset Condition: Recruitment/Appointment of in-house survey team	M6 25/26 Some Slippage
<i>Starts Nov24 / Completes Apr29</i>	Improve Existing Asset Condition: Develop data driven programme of works for targeted condition improvements	M6 25/26 On Target
<i>Starts Nov24 / Completes Mar25</i>	Improve Existing Asset Condition: Creation of 'Business Critical' property asset register	M6 25/26 On Target
<i>Starts Mar25 / Completes May25</i>	Improve Existing Asset Condition: Corporate Risk relating to Property	M6 25/26 Some Slippage
<i>Starts Mar25 / Completes Mar27</i>	Improve Existing Asset Condition: Bi-annual reporting on project	M6 25/26 Some Slippage
<i>Starts Apr25 / Completes Mar26</i>	Improve Existing Asset Condition: Fully utilise Concerto across the Property Service	M6 25/26 On Target
<i>Starts / Completes Apr25</i>	Improve Existing Asset Condition: 2025 Survey Programme completed on target	M6 25/26 On Target
<i>Starts / Completes Apr26</i>	Improve Existing Asset Condition: 2026 Survey Programme completed on target	
<i>Starts Mar27 then every 5 yrs</i>	Improve Existing Asset Condition: Quinquennial rolling survey programme - starts Mar27	
<i>Starts / Completes Apr27</i>	Improve Existing Asset Condition: 2027 Survey Programme completed on target	

Measures of Success

Improve Asset Condition: Planned vs reactive spend [reporting starts FY24/25]	
Improve Asset Condition: Backlog of essential repairs (£/m2) [reporting starts FY24/25]	£ 297
Improve Asset Condition: Projected Backlog of Essential Repairs [reporting starts FY24/25]	£ 217,108,910
Improve Asset Condition: Progress of condition surveys completed Qtr [reporting starts 23/24]	107 %
Improve Asset Condition: % of GIA survey [reporting starts FY 24/25]	38 %
Improve Asset Condition: Reduction in risks [reporting starts 2026/27]	
Asset Management - Condition CP5.08 CAST2	82.4 %
Asset Management - % Suitability CP5.08 CAST1	77.9 %

5.5.3 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 2025/26 onwards as follows:-

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

Implement Network of Community Facilities for Services - FY 25-27	£ 0
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These savings are related to HIP Projects that are only just getting off the ground e.g Dingwall and Thurso - Savings are not going to be realised for several years - No savings achieved as yet.

5.5.4 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
Improve Asset Condition: Resource to Conduct Condition Surveys	1	Tolerate
Improve Asset Condition: Contractor Capacity	16	Treat
Improve Asset Condition: Insufficient Budget	25	Treat

RISK – Contractor Capacity: Mitigating Action – Preventative Maintenance: A revenue programme of planned maintenance works has been prepared for 25/26, wherever possible it has incorporated elements of preventative maintenance, however it also has to take account of the level of backlog maintenance required in the estate. There is currently insufficient budget available to complete the 25/26 programme or to overcome the backlog and implement a fully preventative programme.

RISK – Insufficient Budget: Mitigating Action – Service Critical Assets: The Strategic Asset Management Board and Strategic Asset Management Plan in development will determine the assets critical to Service delivery. Decisions from this Board will be fed back to the Property Team to assist with future investment prioritisation.

5.5.5 Forward Plan

Through the Strategic Asset Management Programme, the number of Assets will be reduced, therefore the level of backlog maintenance will come down in line with the asset reduction. Work continues with the ongoing survey programme, which is currently at 107% in line with the five-year rolling programme.

6 Delivery Plan – Net Zero, Energy, Investment & Innovation

6.1 Workstream – Energy Estate: Energy Efficient Homes Programme

6.1.1 Overall RAG



The programme is ragged green – most project milestones are on track/ complete in-line with timescales, there has been some slippage with the post-project evaluation due to delays from external contributors. A strong pipeline of projects continues to be identified for social and private properties, and we will continue to review opportunities to attract and secure additional external funding.

Progress has been made, through cross service collaboration, to identify opportunities to integrate Energy Company Obligation (ECO) to support energy improvement works within the HRA Capital Programme.

6.1.2 Key Milestones, Measures of Success & Requests for Change

Two of the project milestones have been marked as complete, a further 4 are ragged as green and progressing well.

Scottish Government Energy Efficient Scotland: Area Based Scheme (EES:ABS) grant funding, available for eligible privately owned properties, has been awarded along with additional funding.

MILESTONES		CURRENT STATUS
<i>Starts Apr24 / Completes Mar27</i>	Energy Efficient Homes Programme: 20% increase in private delivery	M6 25/26 On Target
<i>Starts Apr24 / Completes Mar27</i>	Energy Efficient Homes Programme: Local training courses developed	M6 25/26 On Target
<i>Starts Apr24 / Completes Mar27</i>	Energy Efficient Homes Programme: Alignment of social/private domestic projects	M6 25/26 On Target
<i>Starts / Completes Apr24</i>	Energy Efficient Homes Programme: Plan developed	M1 24/25 Completed
<i>Starts Apr24 / Completes Jun25</i>	Energy Efficient Homes Programme: Roll out of social/private domestic projects	M5 25/26 Completed
<i>Starts Apr25 / Completes Mar27</i>	Energy Efficient Homes Programme: Ongoing post-project evaluation on the completion of each project	M6 25/26 Some Slippage
<i>Starts Apr25 / Completes Mar27</i>	Energy Efficient Homes Programme: Ongoing development of new projects - feasibility	M6 25/26 On Target

Progress continues with the post-evaluation phase. Householder questionnaires have been issued and responses reviewed and collated. The review of pre- and post-installation Energy Performance Certificates (EPCs) for 2024/25 installations is complete, and the draft project end report has been prepared.

However, there has been a delay due to outstanding contributions from the architect's case studies and the external evaluation partner's final report are still pending. Both are expected to be submitted by the end of October.

6.1.3 **Financial Summary**

There are no financial savings or investment attached to this programme. However, there is targets within the measures of success to leverage external funding, percentage of project costs externally funded, and number of properties issued by housing.

Measure of Success	Target	Year to date
External leverage of funds for HRA investment. Contingent on match funding from HRA.	£2.4m over 3 years	£12.3 million
Percentage of external funding leveraged.	50% – 80%	70%
Housing properties issued to increase annually	200 by the end of year 2	386

6.1.4 **Key Risks**

The Key Risks for the Energy Efficient Homes programme are outlined below.

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
Energy Efficient Homes: Availability of Sufficient Funding	20	Tolerate
Energy Efficient Homes: Insufficient Contractor Capacity	12	Tolerate
Energy Efficient Homes: Tenant opt-out	12	Tolerate

While the programme has successfully secured external funding to support energy efficiency upgrades across Council properties, this funding represents only a small portion of the total investment required to comprehensively improve the wider housing estate.

A suite of educational resources is currently being developed to support tenants. These resources aim to raise awareness, build understanding, and ensure tenants feel informed and empowered before, during, and after installation works. The aim is to reduce the number of tenants opt-outs per project, particularly in relation to air source heat pumps.

6.1.5 **Forward Plan**

Collaboratively review opportunities for potential projects to be included in the 2026/27 Social Housing Net Zero Fund application.

To maximise the roll out of energy efficiency measures, it is becoming increasingly important for the Council to explore opportunities to integrate external funding. One approach currently being considered is the use of Energy Company Obligation (ECO) funding to support delivery through existing frameworks.

Designation: Assistant Chief Executive - Place

Date: 9 October 2025

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Background Papers: None

Appendices: None