

Agenda Item	<b>11</b>
Report No	<b>HP/09/26</b>

# The Highland Council

**Committee:** **Housing and Property**

**Date:** **28 January 2026**

**Report Title:** **Delivery Plan Monitoring and Progress Update Q3 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. It should be noted that this report captures those elements of the Delivery Plan due to report in November 2025 alongside those reporting at January 2026. This is because the November Delivery Plan report was unable to be considered due to time constraints.

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

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

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

- Workstream - Energy Estate
  - Energy Efficient Homes
  - Energy Efficient Council
  - Solar PV Council Estate

- 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



This has been rated AMBER. The tendering timeline has slipped by several weeks despite strenuous efforts by the housing and property working groups. There is a commitment by Procurement to apply extra resources to the tendering process to revise the timeline. The Project Board continues to closely monitor progress and it is anticipated that the new Trades Framework for Inner Moray Firth will be operational from quarter 2 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
<i>Starts Apr24 / Completes Mar27</i>	New Trades Framework: Highland Trades Framework deployed
<i>Starts Mar25 / Completes Aug25</i>	New Trades Framework: Define the types of repair work that are in Scope for the Framework - Housing
<i>Starts Mar25 / Completes Aug25</i>	New Trades Framework: Define the types of repair work that are in Scope for the Framework - Property
<i>Starts Apr25 / Completes Apr26</i>	New Trades Framework: Phase 1 Inner Moray Firth operational
<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
	4	8	
New Trades Framework: Internal costs of managing the framework become unmanageable	4		<b>Tolerate</b>
New Trades Framework: Higher contractor costs to the Council as a result of Framework	4		<b>Tolerate</b>
New Trades Framework: New Trades Framework not in place for 1st April 2026	8		<b>Tolerate</b>
New Trades Framework: Availability of Local Trades to come on to the Framework	4		<b>Tolerate</b>

### 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 are 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

<b>Project: Terra Tracker</b>	R <input type="radio"/>
	A <input checked="" type="radio"/>
	G <input type="radio"/>
	C <input type="radio"/>

This project has been flagged as Amber. Volume of work now realised is unlikely to complete within allocated timeframe. A proposal has been drafted to be presented on way forward, for consideration at the Reconfiguring our Asset Base Portfolio Board.

### 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	M9 25/26 Some Slippage

## Measures of Success

Terra Tracker: Increasing no. mapped & digitised titles [reporting starts Q1 24/25]	<b>2,723</b>
Terra Tracker: No. of previously unrecognised titles mapped [reporting starts Q1 24/25]	<b>1,190</b>
Terra Tracker: Stakeholder Satisfaction [reporting starts FY23/24]	<b>97 %</b>

### 5.2.3 Financial Summary

£	Asset Review: Terra Tracker - FY 24-26	<b>£ 205,000</b>
£	Terra Tracker: Investment: EMR & Capital Receipts	<b>£ 205,000</b>

### 5.2.4 Key Risks

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
Terra Tracker: Missing Internal Records	<b>10</b>	<b>Closed.</b>
Terra Tracker: Enablement of inaccurate title claims	<b>4</b>	<b>Tolerate</b>
Terra Tracker: Project Slippage	<b>20</b>	<b>Closed.</b>
Terra Tracker: Scope Creep	<b>1</b>	<b>Tolerate</b>
Terra Tracker: Restructuring	<b>4</b>	<b>Tolerate</b>
Terra Tracker: Low Cooperation	<b>16</b>	<b>Tolerate</b>

### 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. A proposal has been drafted to be presented on way forward, for consideration at the Reconfiguring our Asset Base Portfolio Board.

## 5.3 Workstream – Single Property Service: Migration of Property Assets and Property Resources

### 5.3.1 Overall RAG

Project: Migration of Property Assets and Property Resources		R	●
		A	●
		G	●
C	●		

This project is ragged as Amber – some slippage. There have been challenges in identifying and transferring budgets from respective services to the Property Service to enable oversight. This is ongoing with the Finance Service and Property.

Meanwhile, options are being investigated to clarify roles and responsibilities for all Council services to manage assets and to improve corresponding protocols. This includes improved systems for recording and monitoring the status of property and assets. Options are also being explored to streamline the process of charging the appropriate revenue budget for maintenance work.

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

MILESTONES		LATEST PROGRESS
Starts Apr24 /	Completes Jun25	Migration of Property Assets & Resources: Review complete
Starts Apr24 /	Completes Jun25	Migration of Property Assets & Resources: Budgets transferred to SPS
Starts Apr 24 /	Completes Dec 25	Migration of Property Assets & Resources: SPS deployed
Starts Feb 25 /	Completes Jun 25	Migration of Property Assets: Centralise property maintenance budgets
Starts Jul 25 /	Completes Mar 26	Migration of Property Assets & Resources: SPS Model reviewed
Starts Apr26 /	Completes Jun26	Migration of Property Assets & Resources: Project Closure

### 5.3.3 Financial Summary

#### Savings

£	Implement Network of Community Facilities for Services - FY 25-27	£ 0
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### 5.3.4 Key Risks

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING		RESPONSE
	12	20	
Migration of Property: Not All Resources Transferred	12		Treat
Migration of Property: Insufficient Budget for Repairs		20	Treat

### 5.3.5 Forward Plan

Following a restructure within the Property & Assets Service officers have started a review of projects and improvements falling under the Single Property Service portfolio. This includes a review of roles and responsibilities for all services and work underway to prepare a guidance document that clarifies the duties and responsibilities.

In line with the wider steps to monitor property relates activities under ROAB a project tracker is to be established that records and monitors any changes in the status of property and assets.

## 5.4 Workstream - Highland Investment Plan: Affordable Housing Programme

### 5.4.1 Overall RAG



This programme is ragged as Green (on target). The Programme is still anticipated to deliver the scheduled number of units and there is also work ongoing to deliver individual house purchases and maximise opportunities for key worker housing. The mid-market rent project is underway. The new Strategic Housing Investment Plan, which includes information on a number of potential development projects across Highland, was agreed at Housing and Property Committee in November.

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

<b>MILESTONES</b>		<b>CURRENT STATUS</b>
<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	M9 25/26 On Target
<i>Starts Apr25 / Completes Jan26</i>	Deliver Affordable Housing: Housing Revenue Account Capital Plan - 25/26 Approved	M9 25/26 On Target
<i>Starts Jun25 / Completes Nov25</i>	Deliver Affordable Housing: Strategic Housing Investment Programme approved for 2026-2031	M8 25/26 Completed

#### 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. The forecast completions for 2025/26 is 227. A full updated on the 2025/26 programme will be provided at the next reporting cycle.

### 5.4.3 Financial Summary

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

### 5.4.4 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

#### 5.4.5 **Forward Plan**

This workstream is in the process of being updated to enable monitoring and reporting against the Highland Housing Challenge Partnership Action Plan. An update of actions contained across the three themes of the Partnership Action Plan – increasing finance, increasing land and increasing developer capacity – can be found at **Appendix 1**.

One specific action in relation to affordable housing, developing a Council mid-market Rent model is underway. A project manager has been appointed and a Project Board established, with a project plan being finalised. This will include the areas of scope for the project including the financial model and legal framework associated with establishing an arms-length organisation and is assessing potential management and delivery models. Future updates will be provided to this committee.

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

5.5.1

**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 a forecast of £0 against the target of £75,000. The HIP update report was approved at the Council meeting in October and HNSL are preparing updated project delivery programmes and budget costs for consideration by HC.

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

MILESTONES		CURRENT STATUS
<i>Starts Apr24 / Completes Mar27</i>	Single Public Estate: Programme commences	M9 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: Beauly - Pre-Construction Activities	M9 25/26 On Target
<i>Starts Apr25 / Completes Mar27</i>	Single Public Estate: Charleston - Pre-Construction Activities	M9 25/26 On Target
<i>Starts Apr25 / Completes Dec26</i>	Single Public Estate: Dingwall - Pre-Construction Activities	M9 25/26 On Target
<i>Starts Apr25 / Completes Dec25</i>	Single Public Estate: Dunvegan - Pre-Construction Activities	M9 25/26 On Target
<i>Starts Apr25 / Completes Dec26</i>	Single Public Estate: Fortrose - Pre-Construction Activities	M9 25/26 On Target
<i>Starts Apr25 / Completes Dec26</i>	Single Public Estate: Inverness High - Pre-Construction Activities	M9 25/26 On Target
<i>Starts Apr25 / Completes Nov27</i>	Single Public Estate: Thurso - Pre-Construction Activities	M9 25/26 On Target
<i>Starts Apr25 / Completes Dec25</i>	Single Public Estate: Alness and Invergordon - Confirm Project Scope and Location(s)	M9 25/26 On Target
<i>Starts Apr25 / Completes Dec25</i>	Single Public Estate: Brora, Dornoch and Golspie - Confirm Project Scope and Location(s)	M9 25/26 On Target
<i>Starts Apr25 / Completes Dec25</i>	Single Public Estate: Other Locations - Confirm Project Scope and Location(s)	M9 25/26 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	

## 5.5.3 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.

#### 5.5.4 Key Risks

Community Pods: Savings Targets Not Fully Achieved	<b>8</b>	<b>Treat</b>
Community Pods: Engagement and Statutory Consultation	<b>1</b>	<b>Tolerate</b>
Community Pods: Delivery Affected by Market Forces	<b>6</b>	<b>Tolerate</b>
Community Pods: Service and Partner Engagement	<b>4</b>	<b>Tolerate</b>

#### 5.5.5 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.

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

#### 5.6.1 Overall RAG

<b>Project: Improve Asset Condition / Reduce Risk for General Fund Assets</b>	<b>R</b> <input type="radio"/>
	<b>A</b> <input checked="" type="radio"/>
	<b>G</b> <input type="radio"/>
	<b>C</b> <input type="radio"/>

This project has been classified as AMBER. There is positive progress with the survey programme. The delivery of preventative maintenance and addressing the backlog of maintenance works, coupled with the level of backlog maintenance being identified and the financial constraints pose a significant risk to long-term sustainability. 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.

## 5.6.2 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	<b>M9 25/26 On Target</b>
<i>Starts Oct24 / Completes Jan25</i>	Improve Existing Asset Condition: Recruitment/Appointment of in-house survey team	<b>M9 25/26 Some Slippage</b>
<i>Starts Nov24 / Completes Apr29</i>	Improve Existing Asset Condition: Develop data driven programme of works for targeted condition improvements	<b>M9 25/26 On Target</b>
<i>Starts Nov24 / Completes Mar25</i>	Improve Existing Asset Condition: Creation of 'Business Critical' property asset register	<b>M9 25/26 On Target</b>
<i>Starts Mar25 / Completes May25</i>	Improve Existing Asset Condition: Corporate Risk relating to Property	<b>M9 25/26 Some Slippage</b>
<i>Starts Mar25 / Completes Mar27</i>	Improve Existing Asset Condition: Bi-annual reporting on project	<b>M9 25/26 Some Slippage</b>
<i>Starts Apr25 / Completes Mar26</i>	Improve Existing Asset Condition: Fully utilise Concerto across the Property Service	<b>M9 25/26 On Target</b>
<i>Starts / Completes Apr25</i>	Improve Existing Asset Condition: 2025 Survey Programme completed on target	<b>M9 25/26 On Target</b>
<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]	<b>£ 297</b>
Improve Asset Condition: Projected Backlog of Essential Repairs [reporting starts FY24/25]	<b>£ 217,108,910</b>
Improve Asset Condition: Progress of condition surveys completed Qtr [reporting starts 23/24]	<b>100 %</b>
Improve Asset Condition: % of GIA survey [reporting starts FY 24/25]	<b>38 %</b>
Improve Asset Condition: Reduction in risks [reporting starts 2026/27]	
Asset Management - Condition    CP5.08    CAST2	<b>82.4 %</b>
Asset Management - % Suitability    CP5.08    CAST1	<b>77.9 %</b>

### 5.6.3 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.

### 5.6.4 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	12	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 2025/26, 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 2025/26 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.

### 5.6.5 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 100% in line with the five-year rolling programme.

## 5.7 Workstream – Highland Investment Plan: Void Plus Policy

### 5.7.1 Overall RAG



This project is currently ragged as Green. The Void Plus Policy is designed to help create sustainable tenancies in parts of Caithness where there has been challenges in letting available properties where there is little or no demand. The policy involves applying an enhanced decorative standard when the properties are void; to encourage applicants to register interest for a property or “bid” for a property through choice based letting. Choice based letting was introduced in the Caithness area as a method of reducing low demand.

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

<b>MILESTONES</b>		<b>CURRENT STATUS</b>
<i>Starts April 24; Completes July 24</i>	Void-Plus Policy: New policy approved	M4 24/25 Completed
<i>Starts Apr24 / Completes Aug24</i>	Void-Plus Policy: New policy deployed; targets for specific properties	M5 24/25 Completed
<i>Starts Jan25 / Completes May25</i>	Void-Plus Policy: Report on progress	M2 25/26 Completed
<i>Starts Jun25 / Completes Jan26</i>	Void-Plus Policy: Project Closure Phase	M9 25/26 On Target

### 5.7.3 Financial Summary

There are no financials associated with the Void-Plus Policy Project.

### 5.7.4 Key Risks

<b>KEY RISKS ASSESSED / RESPONSE</b>	<b>CURRENT RISK RATING</b>	<b>RESPONSE</b>
Housing Void-Plus Policy: Trades Capacity	0	<b>Closed</b>
Housing Void-Plus Policy: Prospective Applicant Refusal	0	<b>Closed</b>

There are no current ongoing risks associated with the Void-Plus Policy Project.

### 7.7.5 Forward Plan

The housing management team continue to carry out settling in visits in all the newly tenanted properties. This visit is to offer assistance around general tenancy matters and to promote tenancy sustainment. Refusals for void-plus properties are at 4.6% which compares favourably with the choice-based letting average of 15.9% refusals.

Levels of tenant satisfaction are captured via a post-let survey. From the 21 surveys completed to date, all respondents have reported satisfaction with the decoration (and floor coverings where applicable). The local team has also advised that verbal feedback from the tenants at settling-in visits has been positive.

## 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	<b>M6 25/26 On Target</b>
<i>Starts Apr24 / Completes Mar27</i>	Energy Efficient Homes Programme: Local training courses developed	<b>M6 25/26 On Target</b>
<i>Starts Apr24 / Completes Mar27</i>	Energy Efficient Homes Programme: Alignment of social/private domestic projects	<b>M6 25/26 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>M5 25/26 Completed</b>
<i>Starts Apr25 / Completes Mar27</i>	Energy Efficient Homes Programme: Ongoing post-project evaluation on the completion of each project	<b>M6 25/26 Some Slippage</b>
<i>Starts Apr25 / Completes Mar27</i>	Energy Efficient Homes Programme: Ongoing development of new projects - feasibility	<b>M6 25/26 On Target</b>

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	£12.3m
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.

### 6.2 Workstream - Energy Estate - Energy Efficient Council

#### 6.2.1 Overall RAG



This project is ragged as amber because although milestones achieved in part, the re-focus from survey undertaking to conversion of opportunities has impacted the overall programme. 203 surveys undertaken, 188 reports/NZ analysis completed. Engagement ongoing with respect to implementation of associated projects. Plans and timescales for progression of opportunities is still be defined. Savings of approx £160k and 169 tonnes of carbon have been achieved, primarily through heating system setpoint review and behaviour change measures as well as THC's capital lighting upgrade programme.

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

MILESTONES		CURRENT STATUS
<i>Starts Apr24 / Completes Aug24</i>	Energy Efficient Council Programme: Plan agreed	M12 24/25 Completed
<i>Starts Apr24 / Completes Mar25</i>	Energy Efficient Council Programme: 1st tranche of properties surveyed	M12 24/25 Completed
<i>Starts Dec 24 / Completes May 26</i>	Energy Efficient Council Programme: Develop energy reduction projects database	M9 25/26 On Target
<i>Starts Apr25 / Completes Mar26</i>	Energy Efficient Council Programme: 2nd tranche of properties surveyed	M9 25/26 On Target
<i>Starts Apr25 / Completes Sep25</i>	Energy Efficient Council Programme: Capital Funding approach agreed for first tranche of combined projects between Property & CCET	M9 25/26 Some Slippage
<i>Starts Apr25 / Completes Mar26</i>	Energy Efficient Council Programme: Integrate NZ Audit and Project Implementation Process into Capital Programme	M9 25/26 Some Slippage

Energy Efficient Council Programme: Value of grant funding secured
Energy Efficient Council Programme: Carbon performance assessment of non-domestic estate - reporting from Sep 25 (kgCO2/m2)
Energy Efficient Council Programme: Value of Opportunities Implemented (cost avoidance)
Energy Efficient Council Programme: % of Council non-domestic properties surveyed FY24/25 onwards

## 6.2.3 Financial Summary

### Savings

	Latest annual forecast	Target (25/26)	Target (cumulative)
£ Asset Review: Energy Efficient Council Programme: Savings - FY 24-27	£ 200,000	£ 300,000	£600,000

## 6.2.4 Key Risks

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
Energy Efficient Council: Insufficient Contractor Capacity	6	Tolerate
Energy Efficient Council: Skilled Staff Shortage	6	Tolerate

Insufficient Contractor Capacity - There is a Risk that works will be delayed/cancelled and that financial and carbon savings may not be realised Due to insufficient contractor capacity and finding suitably skilled staff with sufficient capacity and availability to deliver the work. This may result in inability to progress and deliver projects in desired timeframes.

Skilled Staff Shortage - There is a Risk that some projects may not be delivered and that financial and carbon savings targets are not met Due to Skilled and experienced staff not available to deliver the work. This may result in inability to progress projects within desired timeframes and failure to meet Net Zero ambitions.

### 6.3 Workstream - Energy Estate - Solar PV Council Estate

#### 6.3.1 Overall RAG



This programme is currently assessed as Amber due to delays in progression of overall programme. The first batch of new PV projects are scheduled for installation Jan 2026. The next batches are scheduled for Feb 26 and Mar 26. Currently, 86% of existing PV is operational with plans in place to increase this to 90%. The installed PV is contributing £401 k income to date. Solar PV Board held on 3rd Dec 2025. Provisional agreement reached on progression of remedial works for existing systems. Establishment of ongoing maintenance and inspection contract to be determined.

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

MILESTONES	CURRENT STATUS
<i>Starts/Completes Apr24</i>	Solar PV Council Estate Programme: Financial model signed off
<i>Starts Apr24 / Completes Apr24</i>	Solar PV Council Estate Programme: 50% total generation re-activated
<i>Starts Apr24 / Completes May24</i>	Solar PV Council Estate Programme: 24/26 Project and Programme in place
<i>Starts May24 / Completes Mar25</i>	Solar PV Council Estate Programme: 60% of 1MW generation achieved
<i>Starts Apr25 / Completes Mar26</i>	Solar PV Council Estate Programme: 1MW of new installation completed
<i>Starts Apr26/ Completes Mar31</i>	Solar PV Council Estate Programme: 1MW additional generation p/a up to 5yrs

Solar PV Council Estate Programme: Increased installed generation capacity [reporting starts 2024/25]	<b>256</b>
Solar PV Council Estate Programme: 100% existing sites operational/generating energy [reporting starts 2024/25]	<b>85 %</b>
Solar PV Council Estate Programme: Reduction CO2 emissions due to PV installation [reporting starts 2024/25]	<b>231</b>

### 6.3.4 Financial Summary

#### Savings

MEASURES OF SUCCESS	CURRENT STATUS
 Income Generation: Solar PV Council Estate Programme: Income - FY 24-27	<b>£ 474,509</b>

### 6.3.5 Key Risks

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING RESPONSE	
Solar PV Council Estate: Skilled staff shortage	<b>6</b>	<b>Tolerate</b>
Solar PV Council Estate: Insufficient Contractor Capacity	<b>9</b>	<b>Tolerate</b>
Solar PV Council Estate: Lack of formal solar PV maintenance contract	<b>15</b>	<b>Treat</b>

Designation: Assistant Chief Executive - Place

Date: 6 January 2026

Author: Finlay MacDonald, Chief Officer Property & Assets  
 Alison Clark, Chief Officer Housing and Communities  
 Brian Cameron, Strategic Lead Housing & Customer Services  
 Scott Dalgarno, Service Lead Asset Mgmt & Comm Property  
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Background Papers: None

Appendices: Appendix 1: Highland Housing Challenge Partnership Action Plan - Update

## Highland Housing Challenge Partnership Action Plan – Update

### Increasing Finance for Housing Development

Priority: Developing approaches for increase investment			
Contribution to Challenge	Actions	Update	Timescale
1. Use of Non-domestic rates concession	<ul style="list-style-type: none"> <li>Secure agreement of the IGCFGP Company to leverage NDR and develop a fiscal model</li> </ul>	Principal agreed. Strategy to be considered at E&I in February.	By March 2026
	<ul style="list-style-type: none"> <li>Work with housing developers to bring forward projects that can be part-funded or supported</li> </ul>	Initial sites have been identified in Alness, Invergordon and East Inverness.	Dependent on NDR funds becoming available
2. Implementation of Strategic Investment Vehicle for Social Value Charter	<ul style="list-style-type: none"> <li>Development of a commercial model to manage delivery and risk of legacy housing</li> </ul>	SSEN – model has been agreed between SSEN and developers.  Negotiation on delivery of SSEN legacy housing proceeding well. Heads of terms being finalised.	Complete  March 2026
	<ul style="list-style-type: none"> <li>Publish Strategic Investment Plan prospectus of developments linked to this fund</li> </ul>	Based on Invest Highland, the draft Social Value Investment Plan will be published for consultation in February for agreement at E&I Committee in May.	May 2026
	<ul style="list-style-type: none"> <li>Create the investment vehicle and its appropriate governance within the CPP and including community and industry representatives</li> </ul>	External legal and financial advice for the investment vehicle is being finalised to be reported to a future E&I Committee.	May 2026

<b>3. Building a Guarantor Model</b>	<ul style="list-style-type: none"> <li>In collaboration with Scottish Government, develop a guarantor model to allow an element of underwriting to developments – subject to legislative duties.</li> </ul>	Rationale for guarantor model raised with Scottish Government. Currently under consideration.	Ongoing
<b>4. Developing New Investment Models</b>	<ul style="list-style-type: none"> <li>Establish a Joint Venture funding model with private sector partners, supported by the Scottish National Investment Bank with a core purpose to enable house building for mixed tenure, including mid-market rent, to enable a return on investment to repay up-front costs.</li> </ul>	Ongoing negotiations between SNIB and the Council and potential investors including developers and Pension Fund to create joint ventures.	March 2026
<b>5. Strategic Use of the Housing Revenue Account</b>	<ul style="list-style-type: none"> <li>Targeted investment in social housing through investment of HRA as part of long term Financial Strategy</li> </ul>	Investment in social housing agreed as a principle of the HRA Financial Strategy at H&P in November 2025. Additional investment dependent on decisions taken during annual rent setting.	Ongoing

Priority: Targeting Accommodation Solutions			
Contribution to Challenge	Actions	Update	Timescale
<b>6. Accommodation with Care</b>	<ul style="list-style-type: none"> <li>As part of Lochaber Care Model redesign, explore accommodation solutions to support people to remain in their own homes and/or communities</li> </ul>	A masterplan for the Blar Mhor site in Fort William is being developed by Hub North. The Masterplan process is testing the suitability of the site and the infrastructure required to enable service delivery, including potential housing solutions for key workers. The	July 2026

		Masterplan is being shaped and informed by the recently developed Joint Strategic Needs Assessment and will be consistent with the Partnerships Strategic Plan.	
7. <b>Developing Key Worker Housing</b>	<ul style="list-style-type: none"> <li>• Council to develop a vehicle for delivering mid-market rent housing</li> </ul>	A Project Board has been established, and a project plan is being finalised. This will include the areas of scope for the project including the financial model and legal framework associated with establishing an arms-length organisation and is assessing potential management and delivery models.	December 2026

#### Priority: Historic Debt Write Off

Contribution to Challenge	Actions	Update	Timescale
8. <b>Historic Debt Write Off</b>	<ul style="list-style-type: none"> <li>• Seek support of UK government and Scottish government for the write off of this historic debt, for the purpose of allowing further investment in housing through direct spend.</li> </ul>	The Council continues to raise the issue of historic debt with UK and Scottish Governments.	Ongoing

#### Priority: Funding for Rural Housing

Contribution to Challenge	Actions	Update	Timescale
9. <b>Creating a funding vehicle for rural housing</b>	<ul style="list-style-type: none"> <li>• Develop test models in west and north Highlands to deliver high cost rural housing projects.</li> </ul>	Work is ongoing through HIREP to develop a model to test in rural Highland.	June 2026

## Increasing Land Supply

Priority: Accelerating Development			
Contribution to Challenge	Actions	Update	Timescale
10. Developing Masterplan Consent Areas	<ul style="list-style-type: none"> <li>Highland Council will establish 3 masterplan consent areas to streamline planning processes.</li> </ul>	<p>Governance and process for progressing masterplan consent areas agreed E&amp;I in May 2025. At Nov E&amp;I Committee three preferred sites - at Essich Road, Embo and Ardersier – agreed to progress to next stage. A 4<sup>th</sup> site to be identified for the west coast.</p> <p>Next steps: detailed appraisal of each site's suitability: environmental impact assessment process, initial community, agency and landowner consultation.</p> <p>Public events commenced week beginning 12-1-26 with feedback to be considered at E&amp;I in May 2026</p>	March 2027
11. Improve the Pre-development Service	<ul style="list-style-type: none"> <li>Highland Council will develop an Integrated Housing Service for developers to ensure that programmes and projects can be accelerated.</li> </ul>	Service launched in March 2025.	Ongoing
	<ul style="list-style-type: none"> <li>Review and simplify the Roads Construction Consent Process</li> </ul>	This is a priority to be implemented in 2026/27	March 2027
	<ul style="list-style-type: none"> <li>Introduce a webinar series – <i>what makes a good submission</i></li> </ul>	This is under development.	June 2026

Priority: Creating more land capacity			
Contribution to Challenge	Actions	Update	Timescale
12. Identify new housing sites	<ul style="list-style-type: none"> <li>As part of the Highland Local Development Plan, identify new housing sites through a call for sites</li> </ul>	Call for sites complete in April 2025 and reported in May 2025. 300 submissions received on 250 sites. To be considered as part of HLDP. Progress on HLDP update to Feb E&I committee with evidence report due for submission to SG in June following production of the HNDA.	Complete
	<ul style="list-style-type: none"> <li>Undertake a new Housing Need Demand Assessment</li> </ul>	Work is ongoing to deliver the new HNDA in early April. Specific engagement has taken place with business and health stakeholders alongside a community survey to understand current housing need.	April 2026
13. Repurposing public sector assets	<ul style="list-style-type: none"> <li>Undertake a land audit to identify potential sites to bring forward</li> </ul>	This has not yet been actioned but will be progressed through the Highland Property Partnership.	October 2026
	<ul style="list-style-type: none"> <li>As part of a single public sector estate, release surplus buildings, either for direct use for housing or creating capital for future investment.</li> </ul>	Through the work on developing the Thurso POD, and the Highland Property Partnership, surplus assets being considered for creation of housing options.	December 2026
14. Rural Development	<ul style="list-style-type: none"> <li>Deliver a small rural development toolkit</li> </ul>	Through the Regional Economic Partnership, work progressing on developing a toolkit to support small rural developments	March 2026

## Increasing Developer Capacity

Priority: Increasing certainty for developers			
Contribution to Challenge	Actions	Update	Timescale
17. Increase construction sector capacity	<ul style="list-style-type: none"> <li>Delivery of the Regional Skills Workforce action plan</li> </ul>	Ongoing delivery through Workforce North	TBC
18. Create pipeline of projects	<ul style="list-style-type: none"> <li>Deliver a pipeline of projects</li> </ul>	Revised Strategic Housing Investment Plan agreed at H&P in November 2025 and sets out the current proposed projects over the next 5 years. This provides an opportunity for Council and RSL partners to review procurement methods to give a more consistent programme of work to contractors.	December 2026

<b>19. Multi-year affordable housing funding</b>	<ul style="list-style-type: none"> <li>Work with Scottish Government to establish multi-year funding programme for affordable house building.</li> </ul>	<p>Representations continue to be made to the Scottish Government to request multi-year funding. A core recommendation from the Housing Taskforce.</p>	Ongoing
<b>20. Create a funding vehicle for rural housing</b>	<ul style="list-style-type: none"> <li>Develop test models in west and north Highlands to deliver high-cost rural housing projects.</li> </ul>	<p>Work is ongoing through HIREP to develop a model to test in rural Highland.</p>	June 2026

## Priority: Building Capacity for Delivery in Highland

	<ul style="list-style-type: none"> <li>Explore with Scottish Government opportunities to exempt mid-market rent/build to rent from proposed rent controls</li> </ul>	The Housing (Scotland) Act 2025 has exempted mid market and build to rent from rent controls.	Complete
23. Developing a Highland's Manufacturing Hub	<ul style="list-style-type: none"> <li>Identify a site for a manufacturing Hub in Highland</li> </ul>	Work is continuing with HIE and BEST to determine the viability of this proposal	Ongoing
	<ul style="list-style-type: none"> <li>Taking a pilot approach, support a local modular contractor to develop a delivery model for rural housing</li> </ul>	Work continues with a local contractor and developer to develop a model that can be used in rural areas in Highland A site has been identified and a funding model is being finalised.	June 2026

### Priority: Overcoming barriers to development

24. Addressing Grid Capacity	<ul style="list-style-type: none"> <li>Working with Scottish Government, SSE and Ofgem, identify solutions to current grid capacity issues</li> </ul>	Immediate issues resolved. Meetings held SSE distribution which have enabled the release of constrained sites in Inverness. Ongoing discussion to open up prioritised medium and long term sites.	Ongoing
25. Reviewing Standards	<ul style="list-style-type: none"> <li>Review the Council's affordable housing standards (Firm Foundations)</li> </ul>	Standards were reviewed with partners and have been updated.	Complete
	<ul style="list-style-type: none"> <li>Make representations to the Scottish Government on the implications of proposed standards within the Housing Bill.</li> </ul>	Complete – no new standards applied within the Bill.	Complete
	<ul style="list-style-type: none"> <li>Work with Scottish Government to address existing standards inhibiting development to consider potential solutions or alternatives</li> </ul>	Ongoing discussions with Scottish government for greater flexibility particularly in very rural areas.	Ongoing