

The Highland Council

Agenda Item	7
Report No	HP/20/26

Committee: **Housing and Property**

Date: **12 August 2026**

Report Title: **Property Capital Monitoring Statement and Progress Update**

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

1 Purpose/Executive Summary

- 1.1 This report provides an update on the final capital monitoring position for the 2025/26 financial year and the estimated position for the first quarter of 2026/27 to 31 May 2026. It covers the budgets managed by Property & Assets within the General Fund capital programme and the Non-Housing Revenue Account (Non-HRA) capital programme managed by Housing & Communities.

2 Recommendations

- 2.1 Members are asked to:-

- i. **Scrutinise and approve** the final capital monitoring position for the 2025/26 financial year;
- ii. **Scrutinise and approve** the capital monitoring position for the 2026/27 financial year to 31 May 2026 and the forecast year-end position; and
- iii. **Scrutinise and approve** the programme and project updates included in this report and the projects to be funded from the various budget allocations in 2026/27 and 2027/28, including a contribution of £0.4M to the Cromarty Courthouse project.

3 Implications

- 3.1 **Resource** – Expenditure on individual projects and programmes is being managed within the funding allocations contained in the updated five-year consolidated Highland Investment Plan (HIP) for the period 2026/27 to 2030/31, approved by the Council in June 2026. A link to the report is included under Background Papers at the end of this report.
- 3.2 **Legal** – The contents of this report, together with the Council's annual accounts, support compliance with Sections 6 and 7 of the CIPFA Financial Management Code relating to Monitoring Financial Performance and External Financial Reporting. In addition, the capital investment outlined within the report supports the Council in meeting its statutory obligations, including maintaining building compliance, addressing school roll and accommodation pressures.

- 3.3 **Risk** – The financial position and underlying budget assumptions will continue to be monitored and reviewed regularly. Any emerging risks will be reported to future meetings of this Committee. Risks are actively managed at both individual project level and across wider programmes of work.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – A risk-based asset management approach has been adopted to support the ongoing assessment and monitoring of the condition, suitability, and utilisation of the Council's built estate. This framework enables the systematic prioritisation of available capital investment and revenue maintenance resources, ensuring that funding is directed towards assets presenting the greatest need and highest levels of risk. By targeting investment in this way, the Council can maintain statutory compliance, support service continuity, manage asset-related risks effectively, and promote the long-term sustainability and resilience of the estate.
- 3.5 **Gaelic** – The HIP includes investment to support the delivery and continued expansion of Gaelic Medium Education.

4 Impacts

- 4.1 In Highland, all policies, strategies and service changes are subject to integrated impact screening covering Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where required, a full impact assessment is undertaken.
- 4.2 Consideration of impacts is a key element of the Council's decision-making process. Members must have due regard to the findings of any assessment when reaching decisions.
- 4.3 As this report provides a monitoring update only, no impact assessment is required.

5 Capital Programme Management

- 5.1 The HIP update report presented in May 2025 identified the underlying cost pressures and project cost revisions required across the programme to reflect inflationary increases and other factors impacting project budgets. The report also outlined the approach to re-profiling expenditure and over-programming within the consolidated HIP. This included the allocation of £5.0M of accelerated funding in 2025/26 to address a range of budget pressures and unplanned expenditure experienced in recent years, while enabling priority projects to proceed that may otherwise have required to be deferred to future financial years.
- 5.2 Given the need to ensure that the HIP remained within the overall budget and affordability parameters agreed by the Council, officers were instructed to develop and implement measures to address the identified funding and cost pressures. The outcomes of this work were reflected in the updated five-year consolidated HIP (2026/27 to 2030/31), which was approved by the Council in June 2026. This revised programme incorporated updated project costs, revised expenditure profiles, and a range of measures designed to maintain the overall affordability and deliverability of the capital programme.

- 5.3 The remaining sections of this report summarise the capital monitoring positions, provide an update on the major projects within the programme, and set out projects to be progressed during 2026/27 and 2027/28 through the various programme budget allocations.

6 Capital Programme Monitoring – 2025/26

- 6.1 **Appendix 1** sets out the final outturn position for last financial year. The final total net budget for 2025/26 (excluding the HIP Phase 1 projects) was **£79.090M** with the final expenditure and income position being as follows:-
- Gross expenditure of **£77.743M**
 - Income of £6.898M, resulting in net expenditure of **£70.845M**
- 6.2 The comparable expenditure and income position in the previous monitoring report to the Committee meeting in January 2026 was as follows:-
- Gross expenditure of **£77.891M**
 - Income of £6.144M, resulting in net expenditure of **£71.747M**
- 6.3 The final overall position is therefore broadly in line with that reported in January, with additional income drawn down from developer contributions for completed projects.
- 6.4 **Appendix 1** also included the original 2025/26 budget allocations for the HIP Phase 1 projects, as approved in March 2025. The HIP update report presented to Council in June 2026 included a revised expenditure profile for the overall programme following a review undertaken with Hub North Scotland Ltd. This revised profile is reflected in the re-baselined 2026/27 programme budget.

7 Capital Programme Monitoring – 2026/27

- 7.1 **Appendix 2** sets out the approved budgets for 2026/27, the position at the end of Q1, and the projected final position at the end of this financial year. The approved overall budget for 2026/27 is **£85.584M** with the forecast final position being net expenditure of **£68.163M**, a negative variance of **£17.420M**. The main factors contributing to this variance are summarised below:-
- **Broadford Primary:** The expenditure profile included in the June HIP Update Report does not match the revised profile following the award of the contract, resulting in a negative variance of £12.045M, 69% of the total variance. This funding will be carried forward into 2027/28.
 - **Housing (Non-HRA):** A negative variance of £1.719M across these budgets due to expenditure from several grant funding allocations continuing into 2027/28.
 - **HIP Phase 1 (Other Projects):** The 2026/27 budgets are the total allocations for these projects; however, some expenditure will be incurred in future years, a negative variance of £1.272M.
- 7.2 **Appendix 3** provides information on the whole life cost of the major projects that are underway along with a RAG assessment of the key project criteria of cost, time, and scope.

8 **Major Capital Projects**

8.1 **Tain Campus**

Handover of the new Tain Campus building was completed in February 2026. The phased transition to the new facility commenced with the relocation of Tain Primary School and St Duthus School in April 2026, followed by Tain Royal Academy in June 2026. Projects are progressing for the demolition of the former Craighill Primary School and Tain Royal Academy buildings, together with the separation of the TRACC facilities, with tender documentation currently being developed. The former Knockbreck Primary School and St Duthus School sites, including Duthac House, are being prepared for marketing and disposal.

8.2 **Nairn Academy**

Construction of the replacement Nairn Academy continues to progress, with the new facility scheduled to become operational in October 2026. Planning for the future use of the existing building site will be taken forward through the established Stakeholder Group, which will consider options for the redevelopment of the footprint following demolition of the current building.

8.3 **Broadford Primary**

The contract for the new build was awarded in April 2026, with construction scheduled for completion by December 2027. The new facility will provide modern learning environments for pupils and will also accommodate the relocation of the local library and service point, creating an integrated community hub that will enhance access to educational and public services within Broadford.

8.4 **Dunvegan Primary**

The design and contract documentation for the new build are currently being finalised, with construction expected to commence in late 2026 and be completed in early 2028. An enabling infrastructure project has already been delivered with the completion of a new access road in November 2025. This forms the first phase of a wider place-based masterplan developed in partnership with Lochalsh and Skye Housing Association, which also includes the development of adjacent housing land and the provision of a dedicated site to support community-led funding applications for a new sports pitch, delivering wider social and community benefits alongside the new school development.

8.5 **Beaully**

The statutory consultation process for the proposed relocation of Beaully Primary School to a new site reached a significant milestone with approval of the consultation report at the Education Committee meeting in June 2026. Progress is continuing on the acquisition of the preferred site, with heads of terms currently being negotiated to enable completion of the purchase following the granting of planning consent. The Stakeholder Group has been re-established to support ongoing engagement and project development and is scheduled to meet again in August 2026. Positive engagement with the local community has also helped shape proposals for the co-located POD facilities, and further work will continue with community representatives to explore future operating models for Phipps Hall should the public library relocate to the new POD development, helping to ensure that community needs and opportunities are fully considered as the project progresses.

8.6 **Charleston**

The proposals for the Charleston Campus project continue to evolve, with the development approach moving from the original phased masterplan to a single new-build solution that incorporates replacement Community Complex facilities within the campus. This integrated approach is intended to deliver modern educational and community facilities through a cohesive development. A Stakeholder Group will be established to support the next stage of project planning and engagement, with an inaugural meeting scheduled for early in the new school session. By this stage, further design development work and the proposed sequencing of construction and transition phases will have been progressed, providing stakeholders with greater clarity on the delivery programme and project scope.

8.7 **Dingwall**

Engagement with local Ward Members is continuing as plans for the Dingwall project progress. A Stakeholder Group will be established to support project development and community engagement, with an initial meeting scheduled for early in the new school session. By that stage, further work will have been undertaken to develop the design proposals and establish the sequencing of the project phases, providing greater clarity on the delivery programme. A campus masterplan has also been prepared that safeguards the opportunity for a potential Phase 2 POD development on the footprint of the existing primary school building. This facility could bring together a range of community and public sector services in a single, accessible location, helping to improve service delivery, reduce operating costs, enhance accessibility and create a focal point for local residents and community activities.

8.8 **Fortrose**

The Stakeholder Group for the Fortrose project has now been established and has considered the proposed phasing and sequencing of the works required to deliver the development. This early engagement is helping to inform project planning and identify opportunities to minimise disruption during delivery. As part of the wider masterplanning process, consideration will also be given to the future role and integration of facilities within the adjacent Black Isle Leisure Centre, ensuring that opportunities to enhance community, leisure and educational provision are fully explored and aligned with the overall vision for the campus.

8.9 **Inverness High School**

Plans for the redevelopment of Inverness High School continue to progress, with a Stakeholder Group to be established to support project development and engagement with key stakeholders. The inaugural meeting is scheduled to take place early in the new school session, by which time further work will have been completed on the design proposals and the sequencing of delivery phases. This will provide stakeholders with an opportunity to review the emerging plans, contribute to the development process, and gain a clearer understanding of the proposed programme for the delivery of the new campus.

8.10 **Thurso**

The Thurso transformation programme continues to progress, supported by extensive community engagement and strong local participation. The Education Committee recently approved the report on the proposed statutory consultation for the relocation of two primary schools to the new POD location, with consultation due to commence in August 2026.

The Thurso Transformation Delivery Group continues to provide strategic oversight, supported by a smaller working group focused on projects currently in development. Recent engagement has highlighted strong support for an integrated learning model that includes further education provision.

While the delivery timescales and funding arrangements for the Community POD and UHI aspirations do not currently align, partnership working continues through the development of a wider masterplan. This includes a longer-term vision for a Lifelong Learning Campus and stronger links between the proposed POD facilities and the existing UHI campus.

As the programme evolves, stakeholder involvement may be expanded to include businesses, community organisations, skills providers and government agencies. A communications plan is also in place to support consistent engagement and coordinated messaging across project partners.

8.11 **Tornagrain**

A public drop-in event was held in July, providing residents with an opportunity to view the proposals and provide feedback to help shape this important development for the growing community. A Stakeholder Group will be established, with an initial meeting planned for early in the new school session to support ongoing engagement and project development. Further discussions will take place with Ward Members to consider the programme for delivery of the new school and the implications of a later completion date on accommodation and capacity at Croy Primary School.

9 **Capital Programme Delivery**

9.1 **Background**

9.1.1 Given the significant investment challenge across the Council's property estate, available capital resources must be carefully prioritised towards projects that address the highest risks, statutory obligations, and most critical service requirements. This targeted approach ensures that investment is directed where it will deliver the greatest benefit, maintain safe, compliant, and fit-for-purpose assets, and support the long-term sustainability, resilience, and effectiveness of service delivery.

9.1.2 The June 2026 HIP Update Report approved revised five-year funding allocations across the capital budget headings managed by Property & Assets. These allocations are set out in the table below, and the subsequent paragraphs explain the purpose of each budget and the types of investment and expenditure they are intended to support.

	2026/27	2027/28	2028/29	2029/30	2030/31	Totals
	(£,000)	(£,000)	(£,000)	(£,000)	(£,000)	(£,000)
Learning Estate						
School Estate Improvement Programme/Legacy Projects	9,686	5,285	5,548	4,421	5,250	30,190
Residential Properties	807					807
Community & Leisure Facilities						
HLH Properties	675	285	298			1,258
Other Facilities	342	181	190			713

Health & Social Care						
Adult Services (NHS)	880	419	440			1,739
Children's Services	1,437	146	153			1,736
Property Estate Asset Management						
Council Property Estate Investment	7,778	8,232	8,708	8,940	10,250	43,908
Portree Demonstrator Project	2,751					2,751

9.2 Learning Estate

- 9.2.1 This comprises investment in school buildings and facilities to address the highest-priority suitability, sufficiency and capacity requirements across the learning estate. Funding is prioritised towards projects that present the greatest risk to educational service delivery, ensuring investment is targeted at the areas of greatest need and delivers maximum benefit for pupils, staff and communities through safe, accessible and effective learning environments. This approach is aligned with the Council's Learning Estate Strategy, introduced in February 2025 and reviewed annually to ensure investment decisions remain evidence-based and strategically focused.
- 9.2.2 **Appendix 4** lists the projects currently programmed for delivery during 2026/27 and 2027/28. At this stage, the programme does not fully allocate the funding available across the two-year period, with a proportion of resources being retained to provide flexibility for emerging priorities and unforeseen requirements. This includes the potential need for adaptations to school buildings to accommodate the requirements of pupils enrolling in August 2027. Ongoing engagement with local Members will take place to provide updates on projects within their respective wards, including delivery timescales, progress and key milestones as schemes move through design and construction stages.
- 9.2.3 Further work is underway to prioritise projects that will improve toilet facilities and enhance security measures across the school estate. This will be supported by the development of guidance notes to strengthen strategic asset management and ensure consistency with the objectives of the Learning Estate Strategy. The guidance will also help inform the design and delivery of both new-build and refurbishment projects, supporting the creation of safe, inclusive and high-quality learning environments.
- 9.2.4 **Residential Properties**
The majority of this budget will be invested in the construction of a new three-bedroom house on Rum to provide permanent accommodation for the Head Teacher. The project was initiated in response to previous recruitment and retention challenges when the absence of suitable accommodation on the island resulted in a period of school closure. The remaining funding will be used to improve retained residential properties occupied by tenants that have not transferred to the Housing Revenue Account.

9.3 Community and Leisure Facilities

- 9.3.1 This investment is used to improve community and leisure facilities, including those operated by High Life Highland (HLH), supporting increased participation in sport and physical activity and contributing to improved health and wellbeing outcomes. This investment will be guided by the emerging Sports Strategy, which will provide a consistent, evidence-based framework for future planning, strengthen collaboration across public, third sector and community partners, and support the sustainable

development of high-quality sport and leisure provision across Highland while maximising the impact of available resources.

- 9.3.2 Discussions are ongoing with HLH regarding the prioritisation of the £1.25M capital funding allocation available for investment in HLH-operated properties over the coming years. It is proposed that the outcome of these discussions, including recommendations on project priorities and funding allocations, will be reported to the next meeting of this Committee in November.
- 9.3.3 There is also £0.713M available for investment in other facilities (i.e. those not operated by High Life Highland) which is typically allocated on a reactive basis as priorities emerge. It is proposed that £0.4M of this funding is allocated towards the redevelopment of Cromarty Courthouse.
- 9.3.4 **Cromarty Courthouse:** This is a Grade A listed building owned by the Council and leased to the Cromarty Courthouse Trust (CCT). The building requires significant capital investment, with responsibility for major repairs resting with the Council as owner. The Trust has developed proposals for a £4M refurbishment and redevelopment project that would secure the long-term future of this nationally significant heritage asset through urgent structural repairs, improved accessibility, enhanced energy efficiency and the development of a sustainable operating model for the museum and community facility.
- 9.3.5 A Council contribution of £0.4M would support a funding package expected to secure approximately £3.6M of external investment, primarily from the National Lottery Heritage Fund and Historic Environment Scotland. In addition to delivering economic and community benefits, the project would help mitigate the Council's future financial exposure associated with the building. A recent condition survey identified around £0.5M of works required to the external fabric alone, and failure to progress the redevelopment could result in significantly greater capital liabilities in future.

9.4 **Health and Social Care**

- 9.4.1 Investment in adult and children's care facilities supports the integrated Lead Agency model, under which NHS Highland leads adult health and social care services, and the Council leads children's services. It is prioritised towards projects that present the greatest risk to service delivery, are required to maintain Care Inspectorate standards, or support the delivery of the Council's Home to Highland programme.

The available funding will be directed towards improving and maintaining care facilities to ensure they remain safe, fit for purpose and compliant with regulatory requirements. This investment will help protect vulnerable service users, support the continued delivery of high-quality care services and provide sufficient capacity to meet current and future service demands across both adult and children's care settings.

9.4.2 **Adult Services**

Projects are prioritised through close partnership working with NHS Highland, ensuring that both planned investment programmes and reactive improvement works within care homes are identified and delivered to maintain service quality, safety, and operational resilience.

9.4.3 **Children's Services**

The Council's Home in Highland programme aims to expand and improve local residential care provision, reducing reliance on higher-cost placements outwith the Highlands and enabling more children and young people to remain closer to their families, communities and support networks. Council-operated Children's Houses provide significantly lower weekly costs per bed than spot-purchased provision while supporting better local outcomes.

9.4.4 The available capital funding of £1.736M will be invested in improvements to existing Children's Houses, including The Orchard in Inverness, Braeside at Daviot, Leault at Abriachan and Thor House in Thurso. These investments will enhance accommodation standards and help ensure the continued delivery of safe, high-quality care services.

9.4.5 In addition, funding options are being explored to acquire two further Children's Houses, one in Caithness and one in Easter Ross. The proposed financial model would utilise savings generated through reduced out-of-authority placement costs to fund the purchase and upgrading of these properties, increasing local care capacity and further supporting the objectives of the Home in Highland programme.

9.5 **Property Estate Asset Management**

9.5.1 Funding will be invested in maintaining the condition, functionality, operational performance and statutory compliance of assets across the General Fund property estate through a programme of planned and reactive capital works. This includes addressing property condition requirements, renewing and replacing building fabric components, and upgrading mechanical and electrical systems to reduce operational risk, improve resilience and support the effective delivery of Council services. Investment is prioritised on a risk basis, focusing on the most critical asset management requirements to safeguard the long-term integrity, performance and value of the estate. This approach aligns with the Council's Strategic Asset Management Plan, adopted in January 2026, to ensure that investment decisions are evidence-based, strategically focused and support the delivery of corporate priorities.

9.5.2 **Appendix 5** lists the projects currently planned for delivery during 2026/27 and into 2027/28. At this stage, the programme does not fully allocate the funding available across the next two years, with a proportion of resources being retained to address emerging priorities and support future investment decisions as projects continue to be developed. Ongoing engagement with local Members will continue to provide updates on projects within their respective wards, including delivery timescales, progress and key milestones as schemes move through design and construction.

9.5.3 In parallel, a number of asset consolidation projects are being progressed across Highland, focusing on the rationalisation of properties with lower suitability and/or condition ratings and are less effective in supporting service delivery. A programme of Area Business Meetings is underway to engage Members on future opportunities for asset consolidation, with area-based Asset Masterplans being prepared that identify short, medium and longer-term priorities for investment and asset rationalisation.

9.5.4 **Portree Demonstrator Project**

This project comprises the refurbishment of the Tigh-na-Sgìre office buildings which secured £0.8M of Place-Based Investment Programme funding from the Scottish Government towards the total project cost of £4.35M. This is to support the co-location of public sector partners at Tigh-na-Sgìre, including Highland and Islands Enterprise (HIE)

and the Citizens Advice Bureau (CAB). The project has encountered some cost challenges due to unforeseen structural defects, statutory compliance requirements and other defects identified during construction. These have been mitigated as far as possible and the financial impact of approximately £0.8M will be offset against the overall Property Estate Asset Management budget and other potential funding sources, but the full scope of the original scheme will be delivered.

10 Housing (Non HRA)

- 10.1 Housing and Building Maintenance have been successful in securing Scottish Government funding to transform Longman Park into a “great place to live and bring up children”. This will improve and future proof the services on offer to the tenants at the site which is rented from Inverness’ Common Good Fund. Phase 1 consisting of five modular accommodation units was handed over in early December 2024. Phase 2 consisting of 8 accommodation units was handed over in April 2026. The community building, garden area and visitor pitches are due to be handed over in September 2026. The residents were actively involved in helping to draw up the design plans to ensure that their needs and preferences inform the improvements, and tenants have provided positive feedback regarding the quality of their new housing.
- 10.2 The capital budget for Highland Gypsy Traveller sites has been carried forward from previous years to provide the required match funding. This project will help deliver the Council’s ‘Fairer Highland’ commitments and is one of a small number of Scottish demonstrator projects.

Designation:	Assistant Chief Executive – Place
Authors:	Robert Campbell, Strategic Lead – Investment Strategy and Planning Scott Dalgarno, Strategic Lead, Property and Asset Management Rory MacLeod, Service Lead – Investment and Building Maintenance
Date:	30 July 2026
Background Papers	Highland Investment Plan Update – Meeting of the Highland Council, 25 June 2026 https://www.highland.gov.uk/download/meetings/id/87164/Item%205205%2520-%2520Highland%2520Investment%2520Plan%2520Update
Appendices:	Appendix 1: Monitoring of Capital Expenditure (Q4 2025/26) Appendix 2: Monitoring of Capital Expenditure (Q1 2026/27) Appendix 3: Capital Major Project Whole Life Reporting (Q1 2026/27) Appendix 4 – School Estate Improvement Programme, 2026/27 and 2027/28 Projects Appendix 5 – Property Estate Asset Management Programme, 2026/27 and 2027/28 Projects

Project Description	BUDGET	ACTUALS TO END 2025/26			VARIANCE		
	2025/26 Capital Budget	2025/26 Actual Expenditure	2025/26 Actual Income	2025/26 Actual Net Year to Date	2025/26 Variance Outturn v Budget	25/26 Reprofile to Next Financial Year	2025/26 Overspend/ (Underspend) Completed Projects
	£000	£000	£000	£000	£000	£000	£000
COMMUNITY & LEISURE FACILITIES							
HLH Properties - Life Cycle Investment	440	36	0	36	(404)	(404)	0
Community & Leisure Facilities	270	194	0	194	(76)	(76)	0
LEARNING ESTATE							
Tain 3-18 Campus (LEIP Phase 1)	14,849	12,979	(168)	12,810	(2,039)	(2,039)	0
Broadford Primary (LEIP Phase 2)	16,447	836	(5)	831	(15,616)	(15,616)	0
Nairn Academy (LEIP Phase 2)	26,277	32,935	0	32,935	6,658	6,658	0
New Tornagrain Primary	0	572	0	572	572	572	0
Legacy Projects	1,108	1,063	(1,323)	(260)	(1,368)	(1,368)	0
School Estate Improvement Programme	6,977	9,030	(699)	8,331	1,354	1,354	0
Residential Properties	708	24	0	24	(684)	(684)	0
HEALTH & SOCIAL CARE PROGRAMME							
Adult Services (NHS)	883	402	0	402	(481)	(481)	0
Children's Services/Out of Authority	329	162	(131)	31	(298)	(298)	0
Moss Park Care Home	0	827	(827)	0	0	0	0
PROPERTY ESTATE ASSET MANAGEMENT							
Engineering Compliance	1,000	1,373	0	1,373	373	373	0
Catering & FM Compliance	300	6	0	6	(294)	(294)	0
Property Structures and Fabric	1,394	5,604	(426)	5,178	3,784	3,784	0
Property Security	500	596	0	596	96	96	0
Property Surveys	250	741	0	741	491	491	0
Council Property Estate Annual Improvements	500	1,698	0	1,698	1,198	1,198	0
Water Management	150	22	0	22	(128)	(128)	0
Fire Safety	300	395	0	395	95	95	0
Asbestos Removal	100	141	0	141	41	41	0
Energy Management	1,250	1,395	(151)	1,244	(6)	(6)	0
Depots - Health & Safety	500	765	0	765	265	265	0
Property Rationalisation	500	297	(472)	(175)	(675)	(675)	0
Portree Demonstrator Project	484	1,229	(482)	748	264	264	0
Caithness Demonstrator Project	0	47	(47)	0	0	0	0
HOUSING (NON HRA)							
Private Sector Housing Grants	2,207	1,745	(60)	1,685	(522)	(522)	0
Travelling People Sites - Longman Park Redevelopment	1,100	2,619	(2,096)	523	(577)	(577)	0
Travelling People Sites - General	0	13	(13)	0	0	0	0
Cladding Remediation & SBA Assessments	1,534	0	0	0	(1,534)	(1,534)	0
Housing First	104	0	0	0	(104)	(104)	0
OTHERS							
Property Capital Multiplier Impact	(1,371)	0	0	0	1,371	1,371	0
SUB-TOTALS	79,090	77,743	(6,898)	70,845	(8,245)	(8,245)	0
Highland Investment Plan							
Beaully PS	3,000	179	0	179	(2,821)	(2,821)	0
Charleston HS	1,000	297	0	297	(703)	(703)	0
Dingwall Community POD	2,000	150	0	150	(1,850)	(1,850)	0
Fortrose Academy	2,000	206	0	206	(1,794)	(1,794)	0
Inverness HS	2,000	196	0	196	(1,804)	(1,804)	0
Thurso HS	1,000	363	0	363	(637)	(637)	0
Dunvegan	4,000	687	0	687	(3,313)	(3,313)	0
HIP Programme Contingency	1,000	0	0	0	(1,000)	(1,000)	0
HIP - Other priority projects	5,630	0	0	0	(5,630)	(5,630)	0
Invergordon - Synthetic Pitch	600	20	0	20	(580)	(580)	0
Inverness Leisure - Phase 1	1,300	1	0	1	(1,299)	(1,299)	0
TRACC - Separation of building	1,200	38	0	38	(1,162)	(1,162)	0
Inverness Campus - Synthetic Pitch	600	0	0	0	(600)	(600)	0
SUB-TOTALS	25,330	2,137	0	2,137	(23,193)	(23,193)	0
OVERALL TOTALS	104,420	79,880	(6,898)	72,982	(31,438)	(31,438)	0

	BUDGET	ACTUALS TO END OF MAY 2026			FORECASTS TO END OF 26/27			VARIANCE			
Project Description	2026/27 Capital Budget	2026/27 Actual Expenditure	2026/27 Actual Income	2026/27 Actual Net Year to Date	2026/27 Forecast Expenditure	2026/27 Forecast Income	2026/27 Forecast Outturn	2026/27 Variance Forecast Outturn v Budget	26/27 Reprofile to Next Financial Year	2026/27 Overspend/ (Underspend) Completed Projects	COMMENTS
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
HIP PHASE 1 PROJECTS											
Programme Budget	14,133	857	0	857	14,133	0	14,133	0	0	0	Revised expenditure profile approved at Council meeting in June.
LEARNING ESTATE											
Tain 3-18 Campus (LEIP Phase 1)	3,039	1,984	0	1,984	3,039	0	3,039	0	0	0	Building now operational; demolition projects being progressed.
Broadford Primary (LEIP Phase 2)	19,716	164	(594)	(430)	8,265	(594)	7,671	(12,045)	(12,045)	0	Construction work underway.
Nairn Academy (LEIP Phase 2)	15,418	2,581	0	2,581	15,418	0	15,418	0	0	0	Building due to be operational in October.
Legacy Projects	3,543	310	0	310	2,500	0	2,500	(1,043)	(1,043)	0	Various projects and commitments.
School Estate Improvement Programme	6,143	119	0	119	6,143	0	6,143	0	0	0	Multi-year programme of works being developed.
Residential Properties	807	0	0	0	650	0	650	(157)	(157)	0	Rum housing project at tender stage.
COMMUNITY & LEISURE FACILITIES											
HLH Properties - Life Cycle Investment	675	0	0	0	500	0	500	(175)	(175)	0	Priorities being assessed with High Life Highland.
Community & Leisure Facilities	342	0	0	0	150	0	150	(192)	(192)	0	Various projects.
HEALTH & SOCIAL CARE PROGRAMME											
Adult Services (NHS)	880	8	0	8	500	0	500	(380)	(380)	0	Priorities being assessed with NHS Highland.
Children's Services/Out of Authority	1,437	(7)	0	(7)	1,000	0	1,000	(437)	(437)	0	Programme of works in progress.
Moss Park Care Home	0	0	0	0	0	0	0	0	0	0	Full scope of necessary work being finalised.
PROPERTY ESTATE ASSET MANAGEMENT											
Engineering Compliance	1,000	24	0	24	1,000	0	1,000	0	0	0	
Catering & FM Compliance	300	40	0	40	300	0	300	0	0	0	
Property Structures and Fabric	2,363	389	0	389	2,363	0	2,363	0	0	0	
Property Security	500	15	0	15	500	0	500	0	0	0	
Property Surveys	250	0	0	0	250	0	250	0	0	0	
Council Property Estate Annual Improvements	225	41	0	41	225	0	225	0	0	0	
Water Management	100	0	0	0	100	0	100	0	0	0	
Fire Safety	100	0	0	0	100	0	100	0	0	0	
Asbestos Removal	450	0	0	0	450	0	450	0	0	0	
Energy Management	1,740	47	0	47	1,940	(200)	1,740	0	0	0	Income reflects estimated contribution from Salix fund.
Depots - Health & Safety	250	17	0	17	250	0	250	0	0	0	
Property Rationalisation	500	7	0	7	500	0	500	0	0	0	
Portree Demonstrator Project	2,751	0	0	0	2,751	0	2,751	0	0	0	Construction work underway.
Caithness Demonstrator Project	0	83	(276)	(193)	276	(276)	0	0	0	0	Remaining balance of funding to be allocated.
HOUSING (NON HRA)											
Private Sector Housing Grants	2,656	174	(10)	165	1,800	(30)	1,770	(886)	(886)	0	Potential underspend will be reviewed with delivery partners and an update will be provided at Q2.
Energy Efficiency Area Based Schemes (EES:ABS)	0	0	0	0	2,917	(2,917)	0	0	0	0	
Housing First	104	0	0	0	0	0	0	(104)	(104)	0	Expected to be used for a targeted purchase. Work ongoing.
Cladding Remediation & SBA Assessments	1,534	0	0	0	805	0	805	(729)	(729)	0	
Travelling People Sites - Longman Park Redevelopment	980	54	0	54	980	0	980	0	0	0	Phase 1 and 2 Completed. Phase 3 started.
Travelling People Sites - General	0	0	(47)	(47)	47	(47)	0	0	0	0	Expected to be used to fund work at Spean Bridge.
HIP PHASE 1 OTHER											
TRACC	1,162	22	0	22	1,000	0	1,000	(162)	(162)	0	Project at tender stage.
Inverness Leisure Ph1 & Queenspark Track	1,286	5	0	5	750	0	750	(536)	(536)	0	Running track project underway.
Synthetic Pitch Invergordon	580	5	0	5	75	0	75	(505)	(505)	0	Revised proposal with funding applications to be submitted.
Synthetic Pitch Inverness Campus	519	0	0	0	450	0	450	(69)	(69)	0	Project at tender stage.
Sports Strategy Development	100	0	0	0	100	0	100	0	0	0	Proposal approved by Education Committee.
OVERALL TOTALS	85,583	6,939	(927)	6,012	72,227	(4,064)	68,163	(17,420)	(17,420)	0	

Project Description	WHOLE LIFE BUDGET			ACTUALS TO END OF MAY 2026			FORECAST TO END OF PROJECT			PROJECT ASSESSMENT			COMMENTS
	LIFE BUDGET EXPENDITURE	LIFE BUDGET INCOME	LIFE BUDGET NET	ACTUAL EXPENDITURE TO DATE	ACTUAL INCOME TO DATE	ACTUAL NET TO DATE	FORECAST EXPENDITURE	FORECAST INCOME	FORECAST NET	COST	TIMING	SCOPE	COMMENTS
	£000	£000	£000	£000	£000	£000	£000	£000	£000				
Tain 3-18 Campus	72,547	-847	71,700	71,661	-1,015	70,646	72,547	-847	71,700	A	R	G	The new building is now fully operational; demolition projects at former Craighill Primary and Tain Royal Academy sites are being progressed.
Nairn Academy	67,051	-20	67,031	53,213	-20	53,193	67,051	-20	67,031	G	A	G	Work progressing on site and new building programmed to be operational from October 2026.
Broadford Primary	23,297	-791	22,506	2,851	-791	2,060	23,297	-791	22,506	G	A	G	Construction work is underway and new building is programmed for completion by December 2027.
HIP Phase 1 Projects	379,013	-1,900	377,113	2,935	0	2,935	379,013	-1,900	377,113	G	G	G	Revised programme budget, project delivery timescales, and scope of projects approved at Council meeting in June 2026.
Longman Park TPS	8,172	-6,582	1,590	7,159	-6,582	577	8,172	-6,582	1,590	G	A	G	Phase 1 and Phase 2 are now completed. This now means all units are handed over and occupied by residents. Although behind programme due to access the final phase is less critical for the residents. Phase 3 the Community Building has started with an anticipated completion of September 2026.

School Estate Improvement Programme - Priority Projects			Appendix 4	
No.	Location	Description	Criteria	Stage
1	Achiltiue Primary	Replacement Extension Block	Condition/Suitability	Design
2	Alvie Primary	Resurfacing of MUGA	Life Cycle	Tender
3	Aviemore Primary	ASN Alterations	Sufficiency/Suitability	Design
4	Aviemore Primary	Resurfacing of Synthetic Pitch	Life Cycle	Design
5	Avoch Primary	Various Improvements	Suitability	Design
6	Balloch Primary	Additional External Play Area	Suitability	Design
7	Banavie Primary	Security Fencing	Suitability	Construction
8	Ben Wyvis	ASN Alterations	Sufficiency/Suitability	Design
9	Bonar Bridge Primary	Demolition of Former House	Condition/Suitability	Design
10	Bridgend Primary	Refurbishment of Toilets	Condition/Suitability	Design
11	Brora Primary	ASN Alterations	Sufficiency/Suitability	Design
12	Cannich Bridge Primary	Replacement Modular Classroom Unit	Condition/Suitability	Design
13	Central Primary	ASN Alterations	Sufficiency/Suitability	Design
14	Coulhill Primary	Playground Improvements	Suitability	Design
15	Cradehall Primary	Demolition of Former House	Condition/Suitability	Design
16	Coulhill Primary	Internal Alterations	Suitability	Design
17	Crown Primary	Various Improvements	Suitability	Design
18	Culloden Academy	Gym Facility	Suitability	Design
19	Culloden Academy	Various Improvements	Suitability	Design
20	Deshar Primary	Refurbishment of Toilets	Condition/Suitability	Design
21	Dingwall Primary	ASN Alterations	Sufficiency/Suitability	Design
22	Dochgarroch Primary	Security Fencing	Suitability	Design
23	Dunvegan Primary	ASN Alterations	Sufficiency/Suitability	Construction
24	Eigg Primary	Internal Alterations	Suitability	Design
25	Glencoe Primary	ASN Alterations	Sufficiency/Suitability	Design
26	Glenurquhart Primary	Additional Accommodation (Scope to be Confirmed)	Sufficiency/Suitability	Design
27	Golspie Primary	Nursery Alterations	Suitability	Design
28	Grantown Grammar	Refurbishment of Toilets	Condition/Suitability	Design
29	Hilton of Cadboll Primary	Security Fencing	Suitability	Tender
30	Invergordon Academy	Demolition of Former House	Condition/Suitability	Design
31	Invergordon Academy	Improvements to Car Park	Suitability	Design
32	Invergordon Academy	Toilet Refurbishment/Reception	Condition/Suitability	Design
33	Inverlochry Primary	Extend Car Park	Suitability	Tender
34	Kilchoan Primary	Extension/Refurbishment	Condition/Suitability	Design
35	Kiltearn Primary	New Nursery Annexe	Early Learning & Childcare	Design
36	Kiltearn Primary	Refurbishment of Toilets	Condition/Suitability	Design
37	Kingussie High	Demolition of Former House	Condition/Suitability	Design
38	Kingussie High	Internal Alterations	Suitability	Design
39	Kinmylies Primary	Internal Alterations	Suitability	Design
40	Kirkhill Primary	Additional Accommodation (Scope to be Confirmed)	Sufficiency/Suitability	Design
41	Kyle Primary	ASN Alterations	Sufficiency/Suitability	Construction
42	Lochaber High	Security Fencing	Suitability	Construction
43	Lochaber High	Internal Alterations	Suitability	Design
44	Lochinver Primary	Various Improvements	Suitability	Design
45	Mallaig Primary	ASN Alterations	Sufficiency/Suitability	Tender
46	Merkinch Primary	Internal Alterations	Suitability	Design
47	Miller Academy Primary	Demolition of Building	Condition/Suitability	Design
48	Miller Academy Primary	Security Fencing	Suitability	Design
49	Milton of Leys Primary	Resurfacing of Synthetic Pitch	Life Cycle	Design
50	Munlochry Primary	Alterations to Canteen	Suitability	Design
51	Muirtown Primary	Refurbishment of Toilets Phase 2	Condition/Suitability	Design
52	Newmore Primary	Replacement Modular Classroom Unit	Condition/Suitability	Design
53	Plockton Primary	Demolition of Canteen Building	Condition/Suitability	Design
54	Plockton Primary	Playground Improvements	Suitability	Design
55	Rogart Primary	Demolition of Former House	Condition/Suitability	Design
56	Rosebank Primary	Toilet Extension Block/Security Fencing	Condition/Suitability	Design
57	Rosebank Primary	Replacement Kitchen Dining Annexe	Free School Meals	Design
58	Rosehall Primary	Demolition of Former House	Condition/Suitability	Design
59	Strathgarve Primary	Demolition of Former House	Condition/Suitability	Design
60	Strathgarve Primary	Internal Alterations	Suitability	Design
61	Ullapool High	ASN Alterations	Sufficiency/Suitability	Design

AGENDA ITEM 5

Property	Area	Ward	Description	Status
Fire Safety				
Various	Highland Wide	Various	Various Sites - Future Fire Risk Assessment Works	Preparation & Brief
Various	Highland Wide	Various	Various Sites -Emergency Lighting	Preparation & Brief
Water Management				
Drakies Primary School	City of Inverness	16 Inverness Millburn	Drakies PS - New water main	Developed Design
Various	Highland Wide	Various	Highland Wide - Water Risk Assessments	Preparation & Brief
Engineering Compliance				
Various	Highland Wide	Various	Highland Wide - Mechanical & Electrical Upgrades – Various Sites	Construction
Aviemore Primary School & Com. Ctr.	Badenoch and Strathspey	20 Badenoch and Strathspey	Aviemore Primary School - Underfloor heating system works	Technical Design
Highland Council Headquarters	City of Inverness	13 Inverness West	HQ Chamber - Chiller Replacement	Technical Design
Various	Highland Wide	Various	Highland Wide - Oil Storage Upgrades	Strategic Definition
Dornoch Academy & Primary	Sutherland	04 East Sutherland and Edderton	Dornoch Academy - Back up Boiler Replacement	Preparation & Brief
Bun-Sgoil Ghàidhlig Phort Rìgh	Isle of Skye and Raasay	10 Eilean a' Chèò	Bun-Sgoil Phort Rìgh - Biomass Pellet Store Remedial Works	Preparation & Brief
Cauldeen Primary School	City of Inverness	15 Inverness Ness-side	Cauldeen PS - Boiler Plant Replacement	Technical Design

Structure & Fabric

Various	Highland Wide	Various	Highland Wide Properties Various Sites - Component Failure	Construction
South Lodge Primary School	Easter Ross	06 Cromarty Firth	South Lodge PS Roof Replacement & Toilet Refurbishment - Phase 2	Technical Design
Plockton High School	Wester Ross, Strathpeffer and Lochalsh	05 Wester Ross, Strathpeffer and Lochalsh	Plockton HS Roof Replacement above Changing Rooms, Corridor and PE Base	Technical Design
Scourie Primary School	Sutherland	01 North, West and Central Sutherland	Scourie PS Roof replacement	Technical Design
Grantown Grammar School	Badenoch and Strathspey	20 Badenoch and Strathspey	Grantown Grammar Roof refurbishment - Block B	Construction
Thurso High School	Caithness	02 Thurso and Northwest Caithness	Thurso HS Block C Tower Roof Refurbishment	Technical Design

Security

Various	Highland Wide	Various	Highland Wide - Security Improvements Various Sites	Construction
Bun-Sgoil Shlèite	Isle of Skye and Raasay	10 Eilean a' Chèò	Bun-Sgoil Shleite (Sleat) PS - Security Fencing	Technical Design
Auchtertyre Primary School	Wester Ross, Strathpeffer and Lochalsh	05 Wester Ross, Strathpeffer and Lochalsh	Auchtertyre PS - Security Fencing	Construction
Glenelg Primary School	Wester Ross, Strathpeffer and Lochalsh	05 Wester Ross, Strathpeffer and Lochalsh	Glenelg PS - Security Fencing	Technical Design
Brora Primary School	Sutherland	04 East Sutherland and Edderton	Brora PS - Security Fencing	Technical Design
Inverness Royal Academy	City of Inverness	15 Inverness Ness-side	IRA - Automatic Doors (HLH Leisure)	Construction
Highland Folk Museum (Newtonmore)	Badenoch and Strathspey	20 Badenoch and Strathspey	Am Fasgadh - Automatic Doors	Handover & Close Out

Culloden Academy	City of Inverness	17 Culloden and Ardersier	Culloden Academy - Fencing & Doors	Strategic Definition
Highland Council Headquarters	City of Inverness	13 Inverness West	HQ - New Reception at Chamber Entrance and Security Works	Construction
Various	Highland Wide	Various	Highland Wide - Auto Door Failures	Strategic Definition
Lochaber High School	Lochaber	11 Caol and Mallaig	Lochaber HS - Security Fencing	Technical Design

Facility Management Compliance

Various	Highland Wide	Various		Strategic Definition
Various	Highland Wide	Various		Strategic Definition

Catering Equipment

Various	Highland Wide	Various	Schools - Cashless catering upgrade for secondary schools – Highland Wide	Preparation & Brief
Various	Highland Wide	Various	Schools - Kitchen & Equipment upgrades	Construction

Energy

Kinlochbervie High / Primary School	Sutherland	01 North, West and Central Sutherland	Kinlochbervie HS - LED Lighting - All Weather Pitch	Construction
Acharacle Primary School	Lochaber	21 Fort William and Ardnamurchan	Acharacle PS - LED Lighting	Construction
Inverness Sports Centre & Aquadome	City of Inverness	13 Inverness West	Inverness Leisure - LED Lighting - Competition Pool	Technical Design
Aviemore Primary School & Com. Ctr.	Badenoch and Strathspey	20 Badenoch and Strathspey	Aviemore Community Centre Pitches - LED Lighting	Handover & Close Out
Highland Folk Museum (Newtonmore)	Badenoch and Strathspey	20 Badenoch and Strathspey	Highland Folk Museum - LED Lighting	Handover & Close Out

Inverness High School	City of Inverness	13 Inverness West	Inverness High School Assembly Hall - LED Lighting	Developed Design
Highland Council Headquarters	City of Inverness	13 Inverness West	HQ Chamber - LED Lighting	Developed Design
Various	Badenoch and Strathspey	20 Badenoch and Strathspey	Grant House Resource Centre, Alvie PS - LED Works	Concept Design
Various	Wester Ross, Strathpeffer and Lochalsh	05 Wester Ross, Strathpeffer and Lochalsh	Poolewe PS, Gairloch PS - LED Works	Concept Design
Various	Various	Various	Tongue PS, Thurso Swimming Pool, NC Visitor Centre - LED Works	Concept Design
Various	Various	Various	Public Toilets North & Naver Football Pitch - LED Works	Concept Design
Jubilee Park, Dingwall	Dingwall and Seaforth	08 Dingwall and Seaforth	Highland Football Academy Synthetic Pitch - LED Works	Technical Design
Nairn Academy	Nairnshire	18 Nairn and Cawdor	Nairn Academy Synthetic Pitch - LED Works	Strategic Definition
Various	Highland Wide	Various	Energy Works Vlan & BMS upgrade works	Construction
Various	Highland Wide	Various	Energy Works Heating & Controls – Highland wide	Construction
Milton Primary School	Easter Ross	07 Tain and Easter Ross	Milton PS Plant room upgrade works	Developed Design
Lybster Primary School	Caithness	03 Wick and East Caithness	Lybster PS New heating	Technical Design
Lairg Primary School	Sutherland	01 North, West and Central Sutherland	Lairg PS - Replacement Heating	Construction
Nairn Leisure Centre	Nairnshire	18 Nairn and Cawdor	Nairn Leisure Centre - Controls & Ventilation Upgrade	Developed Design

Property Surveys

Various	Highland Wide	Various	HAAC & RAAC Surveys & Remedial Works	Construction
Various	Highland Wide	Various	Condition Surveys	Construction

Asbestos

Various	Highland Wide	Various	Highland Wide - Removals across the Estate	Preparation & Brief
Millbank Primary School	Nairnshire	18 Nairn and Cawdor	Millbank PS - Asbestos Removal in Sub Floor Duct	Technical Design
Gairloch Harbour	Wester Ross, Strathpeffer and Lochalsh	05 Wester Ross, Strathpeffer and Lochalsh	Gairloch Harbour - Asbestos Sheet Roof Replacement	Strategic Definition
Dornoch Building Maintenance	Sutherland	04 East Sutherland and Edderton	Dornoch Building Maintenance - Asbestos Sheet Roof Replacement	Strategic Definition

Depots

Balblair Depot	Nairnshire	18 Nairn and Cawdor	Nairn Depot - Depot refurbishment	Preparation & Brief
Greenhill Depot	Dingwall and Seaforth	08 Dingwall and Seaforth	Greenhill Depot - Welfare Facilities	Strategic Definition
Various	Highland Wide	Various	Highland Wide - Essential fabric and services safety works	Construction

Property Estate Annual Improvements

Highland Folk Museum (Newtonmore)	Badenoch and Strathspey	20 Badenoch and Strathspey	Highland Folk Museum - Harling Replacement to External Walls	Technical Design
Various	Highland Wide	Various	Highland Wide - Essential Fabric Works	Strategic Definition

Property Rationalisation

Ruthven House & Ness House	City of Inverness	15 Inverness Ness-side	Ness House Refurbishment of Office space	Construction
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Dingwall DLO Workshops & Offices	Dingwall and Seaforth	08 Dingwall and Seaforth	Tulloch Street DLO Depot Demolition	Construction
Tigh na Sgire	Isle of Skye and Raasay	10 Eilean a' Chèo	Portree Demonstrator - Development of Tigh Na Sgire Office	Construction
Caithness House	Caithness	03 Wick and East Caithness	Caithness House Refurbishment	Strategic Definition
Osprey House	Easter Ross	06 Cromarty Firth	Osprey House - Office Reconfiguration	Developed Design