

The Highland Council

Agenda Item	5
Report No	HC/04/25

Committee: Highland Council

Date: 27 March 2025

Report Title: Highland Investment Plan – Progress Update

Report By: Assistant Chief Executive – Place

1 Executive Summary

- 1.1.1 The Highland Investment Plan (HIP) commits £2.1bn of capital funding over a twenty-year period, based on the ring fencing of 2% council tax per annum, or an equivalent revenue stream. These revenue funds will be capitalised to create an Investment Plan that will be used to tackle the major capital challenges that Highland Council faces: transport and roads; schools and community facilities; depots and offices, as part of work towards a single public estate and integrated community operating model. One of the key objectives will be to initiate a programme of improvements to our school estate, with 92 of our 197 operational schools currently rated as “C – Poor” for condition and/or suitability.
- 1.1.2 This report recommends that Hub North Scotland Ltd be taken forward as the chosen HIP delivery partner. Chaired by the Assistant Chief Executive – Place, a Commissioning Approval Board will also be established to determine capital contract awards including but not limited to HIP, recognising that the Council retains the option to select the most advantageous procurement route.
- 1.1.3 This report recommends the proposed allocation of capital funding and the delivery timescales for the first tranche of Phase 1 HIP projects over the next 6 years and identifies some of the further investment priorities that will be detailed in the HIP report to the Council meeting in June 2025.
- 1.1.4 There is an update on the development of the place-based masterplan for Dingwall and a recommendation on the preferred location of a new St Clement’s School building following an evaluation of the educational benefits of the two shortlisted site options agreed in December 2024.

- 1.1.5 There is also an update on progress on the Thurso place-based review. The report to the Council meeting in June 2025 will identify the outcomes of this review, including the preferred model for the Community POD. That report will also include an update on the other Phase 1 prioritised locations (Alness, Brora, Dornoch, Golspie and Invergordon).
- 1.1.6 The Highland Investment Plan is part of the wider drive towards asset reconfiguration, one of the key drivers for our delivery plan. This is in recognition that many of our assets are in poor condition or no longer retain their prior functionality. The plan requires that we relinquish assets as required, refurbish those we are committed to, and create new builds as part of a place making plan. Only through this process can we shift and free up resource towards what our communities need for the future.
- 1.1.7 Members are reminded that the establishment of Community PODs, and other types of PODs, is linked to plans to modernise service delivery and will be a key driver for the future operating model of the Highland Community Planning Partnership. Such a future operating model needs to be seen as part of a strategy to provide more integrated local services across the ten Council areas, effectively devolving Council operations over time and ensuring that all places benefit from this new approach. This is essential to sustain communities and population through a revised partnership service delivery model.

1.2 **Purpose/Context**

- 1.2.1 In May 2024, the Council approved a report setting out the HIP approach and identifying the priorities for Phase 1:-
- Seven project locations where work would be progressed to prepare local masterplans and carry out options appraisals; and
 - An initial list of five projects to be progressed to design and tender stage.
- 1.2.2 A subsequent report to the Council meeting in June 2024 outlined the processes that will be followed to support the delivery of new Community PODs across Highland, including local engagement with communities and partners, a place-based master planning approach, and a robust option appraisal process. The priorities and timescales for the Phase 1 Community POD locations at Dingwall and Thurso were also agreed.
- 1.2.3 A further report was provided to the Council meeting in October 2024 on progress in developing the place-based master planning approach and the option appraisal process for delivering new Community PODs across Highland.
- 1.2.4 The most recent report to the Council meeting in December 2024 set out the potential quantum of funding available and the associated financial implications and provided an update on the routes to procurement that could be used to sustain such an ambitious programme and secure best value from the investment fund. A timeline for future decisions at Council meetings in 2025 was also included. On 6 March 2025 the Council agreed its revenue budget for 2025/26, and within which agreed to earmark 2% of council tax income to support the HIP.

- 1.2.5 In identifying options for the future configuration of services the Council is taking account of the views of local people and evidence of local issues and priorities. The option generation process is being aligned with Area Place Plans that are being prepared across Highland, and evidence that is being gathered for the future Local Development Plan, both of which are the subject of ongoing engagement.
- 1.2.6 The wider context of the HIP is to establish a prospectus of investible developments that can attract private sector partners. As with the Highland Housing Challenge, it is a potential vehicle for the utilisation of resource that might become available through the Social Value Charter from Renewables and, for some developments, the Non-Domestic Rates concessions built into the Green Free Port.

2 Recommendations

Members are asked to:

- i. **Agree** that following the market testing exercise that has been used to identify which, out of the existing Procurement Contract Regulations (PCR) 2015 compliant strategic partnering arrangements and centralised purchasing arrangements available, Hub North Scotland Ltd be taken forward as the chosen HIP delivery partner, with the next steps as outlined at 5.13 to 5.26;
- ii. **Agree** that a Commissioning Approval Board, chaired by the Assistant Chief Executive – Place, be introduced as soon as possible to determine capital contract awards including but not limited to HIP;
- iii. **Note** the indicative HIP capital funding quantum as shown in section 6, which will be subject to future budget decisions to earmark revenue funding and annual review and revision to take account of factors such as capital project costs, phasing, and interest rates;
- iv. **Agree** the allocation of capital funding to the first group of Phase 1 projects at Beauly, Charleston, Dingwall, Dunvegan, Fortrose, Inverness High and Thurso and the proposed project delivery timescales;
- v. **Agree** the recommended option to move to a Community POD development for St Clement's and Dingwall Primary schools, on the basis that this provides the greatest educational benefits for both schools, and the maximum economic benefit for the wider community;
- vi. **Note** that the relocation of St Clement's School will require a statutory consultation;
- vii. **Agree** to immediately commence an informal consultation period of engagement with relevant stakeholders from both schools. This will inform the proposals for the above statutory consultation, to be presented to the Education Committee on 4 June 2025;
- viii. **Agree** the approach to developing Early Smaller Scale HIP Investment Possibilities and working with potential funding partners to maximise investment opportunities; and
- ix. **Agree** the commencement of work on the Strategic Outline Case for Lochaber Adult Care Provision.

3 Implications

3.1 Resource

3.1.1 Members will recall from the May 2024 Council report that established the HIP, that the funding of the HIP would be part of the annual budget setting process. This was based on the need to align capital investment decisions with the revenue budget process, and using the strategies adopted in May 2024 to link revenue budget growth and revenue budget setting decisions, to the funding of the HIP.

3.1.2 The estimated implications of the HIP have been reflected in the setting of the revenue budget in March 2025 and the earmarking of 2% council tax income for that year, to add to the 'seed' HIP funding agreed in 2024/25. The separate Treasury Management Strategy Statement on the agenda of this Council meeting provides the over-arching capital, borrowing and treasury assumptions and forecasts which underpin the Council's capital plans, and the HIP. All such assumptions are based on, at this time, an estimated capital quantum which will need reviewed going forward to reflect updated project, cost and interest rate assumptions. Beyond the core costs of borrowing, capital investment can also result in other revenue consequences, e.g., running costs, rates liabilities, and maintenance associated with Council assets.

3.1.3 Revenue consequences may be positive or negative, potentially a saving or reduction in revenue costs where assets are combined or replaced, or new additional costs for new assets created. Such costs will need assessed as specific priorities, projects and project scopes are defined, and managed also as part of the Council's revenue budget planning.

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

3.3 Risk

3.3.1 As was set out in the May 2024 HIP report, the funding of the HIP was linked to annual revenue budget decisions, and growth in the revenue budget and earmarking of funding being the mechanism to support the HIP. By implication there are risks relating to the extent to which the Council's financial outlook and budget plans can support the HIP, for example if the Council was faced with a more challenging financial position than expected. Changes to interest rates and other factors may also impact the estimated HIP funding quantum. It is important to also note that to date, the specific HIP revenue funding agreed by the Council relates to 2024/25 and 2025/26 only, with future years to be part of annual budget setting. Given capital projects are multi-year and long-term commitments, it will be essential that the formal legal commitment to capital projects, and associated costs are aligned and managed to always remain within the approved and affordable HIP funding envelope. Regular and ongoing review of project cost and phasing, as part of normal and best practice capital project delivery, will be undertaken.

- 3.3.2 The HIP sought to mitigate such risks by making clear as an approach that the overall level of costs of borrowing would not exceed 10% of the Council's revenue budget, as a mechanism to ensure plans were affordable, prudent, and sustainable. The separate Treasury Management Strategy Statement report on this Council agenda, provides further context to the financial outlook and budget planning process for 2025/26 and updated forecasts of key ratios and indicators relating to capital and borrowing plans.
- 3.3.3 As set out in the recently approved Learning Estates Strategy, the strategic prioritisation of projects has been built into the HIP, with a focus on tackling issues by priority: deal with emergencies as priority; seek retrofit options where possible; collocate where possible; prioritise developments to provide appropriate capacity; and lastly, enable Council policy objectives.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** - The adopted approach to health and safety was included in the December 2023 report to Council. This set out a hierarchical approach to where we would prioritise capital resources, specifically: "where the health and safety of staff and other service users, stakeholders, or visitors are at actual or potential risk (section 9.5)."
- 3.5 **Gaelic** - The HIP will have a positive impact in relation to maximising the objectives of the Gaelic Language Plan. Several schools that currently deliver Gaelic Medium Education will be in scope for investment, with others potentially having the capacity to expand their provision. There are also opportunities to engage with the Scottish Government to secure capital finding for the specific purpose of investing in Gaelic education. The implementation of this approach will be modelled as part of the ongoing process.

4 Impacts

- 4.1 In Highland, all policies, strategies, or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.
- 4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.
- 4.3 As reported to Council last May, a screening for impact on the principles and approach underpinning the Highland Investment Plan identified positive impact. The screening specifically noted the potential for positive impact on children and young people and children's rights, as a result of the approach to delivering a sustainable and fit for purpose school estate.
- 4.4 It also noted the potential for positive impact on children and young people affected by disability, linked to the approach within the investment plan on addressing additional support needs; supporting the presumption of mainstreaming in education along with a range of options for bases and specialist settings alongside special schools and commitment to an Accessibility Design Brief to shape future school estate developments.

- 4.5 The creation of community PODs, includes a definition that recognises different needs in different communities. This proposed model is also anticipated to have a positive impact on older adults and the provision and alignment of service delivery locally.
- 4.6 As reported to December Council, a screening for impact was undertaken on the proposed Community POD location for Dingwall and this concluded that a full impact assessment was not required at this stage. However, it was noted that the screening would require to be updated, and a full impact assessment may be required, if either a statutory school consultation was required or when considering what services would be co-located.
- 4.7 The screening highlighted that the proposed community POD for Dingwall was likely to have a positive impact for the local community. A new educational provision would be likely to support improved outcomes for children and young people and a positive impact on the rights of children and young people. There is the potential for positive socio-economic impact as a consequence of the co-location of services within one location to enable better access for families. The overall location of the Community POD is within close proximity to the secondary and leisure provision within the town.
- 4.8 The recommendation within this report, to include St Clements within the community POD location, has been subject to a further screening. Whilst the current assessment has been informed by existing information from parental engagement, this will be progressed as part of the statutory school consultation and a full impact assessment completed. At this stage, the screening has highlighted positive impact as a result of the proposal. A summary of the identified impact can be found below.
- 4.9 Equality, Poverty and Human Rights - There are positive impacts identified for children with disabilities. St. Clement's School provides education for children and young people with high levels of educational need. The current school has poor quality accommodation which adversely affects the education of the children and young people. The new school will provide improved accommodation and thus improved outcomes for the school community.

The proposal involves moving the school to another site within Dingwall. It will be retained within the local community and there will be no change to access to education. School transport will continue to be provided therefore there are no anticipated negative socio-economic impacts.

Children's Rights and Wellbeing - In relation to children's rights, the screening concluded that the proposal would have a positive impact on Article 3 You are working in the best interest of the child and Article 28 Children have a right to education. The new school will have a positive impact on the children and young people who attend St. Clement's, by providing a better environment for learning and by allowing for more integrated working with Dingwall Primary School. This will provide opportunities for the St. Clement's children to be better integrated with their peers.

Climate Change - The construction of the new school will lead to CO2 emissions. Weighed against this, the new school will be built to the latest environmental standards with an improved energy efficiency over the exiting school. Emissions in the longer term will be lower.

Impact Assessment Area	Conclusion of Screening/Full Assessment (to be deleted as appropriate)
Equality	<ul style="list-style-type: none"> • Children and Young People – Positive • Children affected by disability – Positive
Socio - economic	Positive
Human Rights	No impact
Children’s Rights and Wellbeing	Positive
Island and Mainland Rural	No impact
Climate Change	Negative and positive impact
Data Rights	No impact

4.10 As reported previously to Council, further assessment will be required as individual aspects of the HIP progresses. This will include an impact assessment for any specification as part of the procurement process, to consider impact on what is included on the site of the Community POD for Dingwall and screening for the Thurso community POD will be undertaken as part of the options appraisal process. Screening for impact will be a core component for any sports and leisure projects progressed and also embedded and considered as part of the Lochaber Adult Care provision project.

5 Procurement

5.1 The HIP progress report to Council on 12 December 2024 reported that significant work had already been undertaken including an evaluation of the procurement options and the identification of potential challenges and opportunities, particularly in relation to the capacity of the construction market to deliver the programme in the future. Following detailed benchmarking, market intelligence, independent professional understanding and feedback from other councils, initial quantitative and qualitative assessments of the models was undertaken. The 3 models are Traditional, Framework and Partnership with the analysis highlighting that the Partnership Model offers the greatest potential to provide the best value for money solution overall.

5.2 Project development costs (for example, stage 1 and 2 development fees and pre-construction costs, margins, overheads, risk) for the Partnership Model are estimated at 22% of the total construction costs compared to 27.8% and 30% for Framework and Traditional Models, respectively. The project development costs for the Partnership Model are therefore estimated to be £121m less than the Framework Model and £168m less than the Traditional Model for a HIP at £2.12bn.

- 5.3 Officers have undertaken further detailed work continuing with supplier engagement that inform the Procurement-related recommendations to today's report.
- 5.4 An Action Planner outlining key tasks was designed, presented and agreed by The Council's Senior Leadership Team (SLT). Staff from a range of teams & Services contributed to the plan and the various work undertaken. This included proposed Key Performance Indicators (KPIs) detailing how any future contract arrangement would be managed between client and partnering organisations. The KPIs can be found at **Appendix 1**.
- 5.5 Both Partnership organisations (Clear Futures and Hub North Scotland Ltd) who participated in the procurement exercise that informed the report to Council in December 2024 were invited to participate in the next stages of assessment. The top ranked Framework organisation, Scape, was also invited. Engagement was jointly led by the Head of Service at Commercial & Procurement Services Team and the Chief Officer, Property and Assets, from The Highland Council.
- 5.6 A weighted Procurement Brief was designed, and organisations were invited to make initial presentations on their proposed delivery approach on a non-evaluation basis. This session also allowed the organisations to ask any questions to ensure they had a full understanding of the requirements and in turn they would then be able to submit an unqualified response timeously.
- 5.7 The overall scoring weighting used was 60% quality / 40% price agreed by the Head of Service at the Commercial & Procurement Services Team and Chief Officer, Property and Assets at The Highland Council. Qualitative questions covered a range of matters including:-
- Who the key deployed team members are for immediate start; their experience of delivering projects of varying type and scale.
 - Experience and track record of their existing/current supply chain; where they are based and mobilised from; how they interact across projects, sectors, partners and each other and how this would be approached across a regional programme.
 - Examples of commercial acumen showing monetary return.
 - Place based approach to deliver improved local outcomes; their understanding of needs; how they align resources.
 - How they develop and onboard local supply chains.
 - Their track record in establishing and operating multi stakeholder programmes – programme controls, governance, communications and stakeholder management.
 - Experience of direct fund and finance raising; their ability to show creativity, influence and leverage.
- 5.8 The methodology used to assess price was informed by work undertaken through the North Territory Partnership (NTP) on which the Highland Council is a member and is represented by a senior officer in the Place Cluster. In 2024, the NTP commissioned an external industry consultant to undertake a quantitative/qualitative assessment of approximately 100 sample tender exercises to appraise the various market routes for public sector bodies with resulting rankings. The percentage on-costs were requested across a sliding scale of project values (£35m, £70m and £100m) with commitment to use open book accounting principles. Bidders were also required to commit to ceiling caps on all project costs. A full breakdown of fees was submitted, and these will also be capped in accordance with the tender submission rates.

5.9 Scoring was independently undertaken by senior staff in the Commercial and Procurement Services Team and The Council's Property and Asset Team in the Place Cluster. The results were both consistent and very clear that Hub North Scotland Ltd achieved the highest scoring in both the Qualitative and Quantitative assessment, and therefore highest overall too. On that basis, Hub North Scotland Ltd should be taken forward to fulfil the HIP project and delivery requirements.

5.10 Throughout this process, robust governance has been at its cornerstone. Led by the Assistant Chief Executive – Corporate, internal and external reviews have been undertaken considering all matters including the process followed, basis of conclusions etc. An internal review panel comprising the Chief Officer – Corporate Finance (Section 95 Officer), Chief Officer – Corporate Governance (Monitoring Officer) and Strategic Lead – Corporate Audit met key senior staff from the Commercial & Procurement Services Team and The Highland Council to consider, discuss and challenge the work undertaken, processes followed etc. Externally, similarly detailed work was undertaken including 1-2-1 interviews with a number of key staff providing an independent and specialist review of Procurement/Property and Legal perspectives. The reviews provide assurance and confidence in the work undertaken, the conclusions arising and the basis of the recommendations. Review findings included:-

- The identification of the preferred strategic partnership model was based on sound research and consideration, and of the models considered is the most appropriate for Highland Council
- The procurement processes and procedures undertaken to identify and appoint the proposed Strategic Partner are compliant with Council's Contract Standing Orders and the briefings, scoring criteria and evaluation processes undertaken are compliant with the current Procurement Contract Regulations (PCR) 2015 strategic partnering arrangements and centralised purchasing arrangements available.

5.11 Further advantages from undertaking such reviews have identified actions to support the work going forward. These include:

- The Council should take immediate action to support mobilisation of the partnership, creation of a pipeline of projects and establishment of partnership and programme governance and a management model.
- The Council should establish clear guidance for Council and partner staff on how the partnership will operate and how projects will be allocated and procured. This guidance should also clarify how the existing capital programme projects fit within this new model.

A Commissioning Approval Board will be introduced, chaired by the Assistant Chief Executive – Place which would report to the Council's internal Capital Programme Board. The Commissioning Approval Board would determine capital contract awards including but not limited to HIP, recognising that the Council retains the option to select the most advantageous procurement route.

- 5.12 Council staff, its partner and any other appointed provider will require to collaborate closely on the delivery of the HIP and the Council's Capital Programme to ensure that agreed programme milestones, project costs and high-quality standards are achieved. It is important that Council teams such as Property and Building Control are appropriately resourced to meet workloads as well as ensuring that the Council's requirements are clearly specified, and that the partner and appointed delivery teams achieve agreed outcomes. In addition, external organisations recognised the importance to embrace the place-based approach, including a commitment to mobilise key staff to offices in Highland. This can demonstrate Highland based employment opportunities and subsequent economic benefits via the delivery of the HIP programme.
- 5.13 A Community Benefits Charter with clearly defined economic, environment and social impact metrics will be agreed upon with the contractual terms and conditions and measured through the agreed KPIs.
- 5.14 In order to continue the pace and momentum for delivery of the HIP, a series of workshops with Council staff and Hub North Scotland Ltd will be held over an 8-week period to implement the following service matters which reflect learning and best practice in establishing successful long-term partnerships. These are discussed in more detail in the remainder of this section.

5.15 **Alignment of Outcomes**

The partnership outcomes will be aligned with key policies and strategies including the Council Programme 2022-2027, the Delivery Plan 2024-2027, the Performance Plan 2022-2027, and the Highland Outcome Improvement Plan (HOIP). This alignment will ensure that all partnership activities contribute towards the overarching objectives of the Council and the wider community.

5.16 **Research and Analysis**

A learning and continuous improvement workstream will be established to apply best practice to further develop and refine the partnership approach. This workstream will build on the successful relationships that the Highland Council has already established and supplement these to continually improve the partnership, maximising impact and effectiveness of delivery.

5.17 **Performance Management**

Regular reporting and review will be carried out to ensure the partnership performance is monitored and optimised using the Key Performance Indicators (KPI's). These have been defined as an important set of metrics to monitor performance and drive continuous improvement. These KPIs have been developed in line with industry best practices and to meet the requirements of the Highland Council policies.

5.18 **Resource Mapping and Alignment**

Mapping of resources will be undertaken across the complete Portfolio Programme which will take account of the internal resources and combined capacity required for each workstream. This is an ongoing key process which will remain under review. It is fundamental to supporting long term success by ensuring the skills, capacity and experience required to deliver each of the workstreams are correctly identified and allocated.

5.19 **Communications Strategy**

A Programme Communications Strategy will be jointly developed. This will set a structure for the partnership communications to ensure clarity and strengthen collaboration. It will be an important part of establishing trust, clarity and accountability with the Partnership and provide effective market communications and messaging around the shared commitment to working together.

5.20 **Governance and Effective Decision-Making Structures**

A robust governance framework has been established to ensure the effective delivery of partnership objectives. The Partnership Programme Board, chaired by the Assistant Chief Executive - Place, will oversee reporting, communication, and decision-making structures, ensuring that governance processes support effective outcomes and the delivery of partnership goals.

5.21 **Partnership Engagement Terms**

The Terms of Partnership Engagement will be jointly defined and agreed as the framework for operation to deliver the outcomes of the Highland Improvement Plan. This provides clarity on the legal and operational aspects, ensuring effective collaboration and delivery of the partnership's objectives.

5.22 **Commissioning of Services**

Services can be commissioned automatically through the existing relationship with the Hub, established by the original competitive procurement and Territory Partnering Agreement. This arrangement facilitates a streamlined approach to Partnering service delivery without the need for additional contractual agreements. We would propose a third-party legal practice be engaged to formalise the Partnership Delivery Plan as reported below and complete within this 8-week period as reported at 5.14.

5.23 **Partnership Delivery Plan**

A comprehensive Partnership Delivery Plan will be developed to formalise the working relationship and define key elements for the successful execution of the partnership. The plan will include the following elements:

- **Commercial Terms**
The commercial terms of engagement will be confirmed to ensure that all parties are clear on financial arrangements, service expectations, and delivery timelines.
- **Key Performance Indicators (KPIs)**
KPIs have been clearly defined and will be embedded in the Partnership Delivery Plan to measure the performance and impact of the partnership, ensuring accountability and continuous improvement.
- **Delivery Programme Plan (12 and 24 months)**
Specific project requirements, including key parameters such as programme, budget and resources will be outlined for projects to be delivered within the first 12 and 24 months. This ensures that the partnership's goals and outputs are clearly agreed, understood and achievable.

- **Business Cases and Locality Reviews**
The preparation of business cases and locality reviews will be essential in identifying opportunities, risks, and solutions during the first 24 months of the partnership. These documents will guide decision-making and project delivery.
- **Funding and Investment Strategy**
A funding and investment strategy will be developed to support partnership projects and initiatives. This strategy will ensure that the necessary resources are secured and allocated appropriately. This strategy will be regularly reviewed to reflect the risks and opportunities in sectors which the Portfolio programme encompasses.
- **Continuity Planning beyond the 24-month Horizon**
Mechanisms will be put in place to ensure the continuation of projects, business cases, and funding activities beyond the initial 24-month period. This will allow for sustained progress and the ability to adapt to changing needs.
- **Support for Change Programmes**
The partnership will provide an undertaking to support change programmes, ensuring that necessary adjustments and improvements are made throughout the partnership's lifespan. This will include specialist resources to enhance organisational and locality capacity for transformation.

5.24 **Commissioning Arrangements**

The commissioning of activities within the partnership will be governed by clearly defined guidelines and approval processes to ensure transparency, efficiency, accountability, and alignment with strategic objectives and outcomes of the Highland Investment Plan. The Commissioning Approval will determine capital contract awards including but not limited to HIP.

- 5.25 Key elements of the commissioning arrangements will include compliance with Key Performance Indicators (KPIs). The partnership will be utilised for defined commissioning activities within the Highland Improvement Plan (HIP), including projects, business cases, locality reviews, and other initiatives as agreed. All activities will be subject to compliance with established relevant (KPIs). These KPIs will serve as the ongoing basis for monitoring performance and ensuring that the activities are carried out effectively and in line with the agreed partnership's objectives.

5.26 **Alternative Delivery Proposals**

The HIP is an ambitious and long-term Programme. While the primary approach for commissioning activities will be through the partnership, the use of alternative delivery proposals is permissible in order to maintain a flexible and agile approach to changes in the operating environment and building resilience for delivery. This may include the use of traditional procurement models or other established frameworks. However, such alternatives will require express approval from the Commissioning Approval Board. Additionally, each alternative proposal must be accompanied by a comprehensive commercial case, which will undergo further review by the Assistant Chief Executive Place, Chief Officer Property and Assets and the Head of Service for Commercial and Procurement and for ultimate consideration by the Commissioning Approval Board. This ensures that all alternative delivery methods are appropriately scrutinised and aligned with the strategic and financial objectives of the partnership are maintained.

6 Phase 1 Projects – Allocation of Capital Funding and Delivery Timescales

6.1 The potential indicative quantum of capital funding available over the period 2024/25 to 2029/30 and the associated financial implications were initially outlined in the December 2024 report and have been further updated to reflect budget decisions by the Council on 6 March 2025, and to align with the borrowing and treasury assumptions set out within the separate Treasury Management Strategy Statement on this Council agenda. The table below shows updated figures for this period and now includes 2030/31. Years 2024/25 and 2025/26 represent agreed and funded amounts, based on revenue budget decisions made for those years. Future years are indicative and would be dependent on the Council agreeing as part of annual budget setting to the earmarking of the appropriate revenue sum, equivalent to 2% of council tax. This table illustrates how that funding quantum could be allocated between roads capital investment and other HIP priorities, subject to Member priorities and decisions. The Roads element being a continuation of the three-year additional capital funding agreed by the Council over 2024/25 to 2026/27 and assumed to continue (plus inflation provision) in the period beyond and funded from within the HIP.

Indicative HIP Capital Quantum	24/25 £m	25/26 £m	26/27 £m	27/28 £m	28/29 £m	29/30 £m	30/31 £m	Totals
Roads	0.0	0.0	0.0	14.2	14.6	14.9	15.3	59.0
Buildings	47.9	51.9	56.0	50.3	55.5	60.4	66.0	388.0
Totals	47.9	51.9	56.0	64.5	70.1	75.3	81.2	447.0

6.2 Section 7 of this report sets out the recommendation to locate a replacement building for St Clement’s School on the new Dingwall Community POD site. It is proposed that the new Community POD development is prioritised for the earliest possible delivery timescale, with construction commencing early in 2027 and the new building facilities being operational by the end of 2028/29, with demolition and remaining site works to follow. This will deliver modern, first-class educational facilities in Dingwall to replace the existing Primary School and St Clement’s School buildings.

6.3 Section 8 provides an update on the Thurso Place-Based review which will determine the preferred model for the Thurso Community POD. It is recommended that this project should also be prioritised for the earliest possible delivery timescale which at this stage is estimated as being operational in 2029/30.

6.4 As previously agreed, five other prioritised Phase 1 projects, in addition to the ongoing development of the Tain Campus, Nairn Academy, Broadford and Tornagrain projects, are being progressed to design and tender stage, and the earliest operational dates are as follows:-

- **Beauly Primary:** Operational in 2027/28.
- **Charleston Academy:** Operational in 2029/30.
- **Dunvegan Primary:** Operational in 2027/28.
- **Fortrose Academy:** The sequence of individual work phases is being finalised with a target of overall completion in 2029/30.
- **Inverness High:** The sequence of individual work phases is being finalised with a target of overall completion in 2029/30.

- 6.5 Based on these timescales, construction work would commence at four locations in 2026 (Beauly, Dunvegan, Fortrose and Inverness High) by following the most appropriate procurement approach, agreed by the Commissioning Board, which meet the earliest possible delivery timescales.
- 6.6 As well as these major new build or extension/refurbishment projects, investment will be required in the coming years on other priorities, including other schools, Council depots, office buildings, and community, sports and leisure facilities.
- 6.7 **Appendix 2** summarises the expenditure profile for the capital investment required to deliver these projects from the quantum of funding available over the 6-year period from 2024/25 to 2029/30. Commitments into 2031/32 are also included to show the total estimated financial commitment over the life of each project. The expenditure profile shows cumulative over-programming of 5% in 2028/29 and 10% in 2029/30. However, the total committed expenditure will be contained within the overall HIP quantum over this period.
- 6.8 **Appendix 3** summarises the key delivery milestones through the briefing, design, construction and handover stages for each of the 7 named projects. There will be a 3-month period from April to June 2025 to confirm the full scope of six of the projects, particularly regarding the co-location of Council, partner and community services, with a six-month period to September 2025 required for the Thurso project to allow for the completion of the Place-Based review that is underway and to determine the full scope.
- 6.9 It should be noted that the full extent of the Community POD facilities will need to be established, and budgets will be reviewed as the projects are developed. However, each location will include “touchdown” facilities as a standard requirement that Council staff or partner services could access. Members will be aware of the proposed investment of £500k agreed as part of the Council’s budget to invest in and strengthen the opportunities presented by the move to a new operating model for the Council.

7 Dingwall Place-Based Review

- 7.1 The December 2024 report identified the substantial amount of work that had been undertaken on the development of a place-based approach for Dingwall.
- 7.2 The collaborative process has informed the development of opportunities and potential solutions that aim to maximise the use of assets and improve service delivery in Dingwall, thus ensuring effective and coordinated investment to meet potential community needs as follows:-
- **Community POD:** Shared or aligned service functions, training facilities, satellite services, and opportunities for community service delivery and operational efficiencies to maximise the utilisation of assets within Dingwall.
 - **Office POD:** Shared office space, training facilities, and opportunities for aligned service delivery and operational efficiencies to maximise the utilisation of assets within Dingwall.
 - **Depot POD:** Multi-agency and partner storage, maintenance, and washdown facilities, potentially aligned with office or business facilities.

- 7.3 Further work is being undertaken to develop the Place-Based report that was shared in December 2024, the Strategic Outline Case and the “Map of Opportunity” showing potential future development possibilities across Dingwall. These will be available for inclusion in the June 2025 report.
- 7.4 As outlined in the December 2024 report, a commitment has been made to rebuild St Clement’s School in Dingwall and retain its unique identity, with consideration to be given to the benefits of the following shortlisted options:-
- **Option A:** A new build on the recently acquired site at Dochcarty Brae based on the statutory consultation completed in 2022.
 - **Option B:** A new build co-located with a new Dingwall Primary School building on the proposed Community POD site. A statutory consultation would be required if the preferred option were for St Clement’s to be located here.
- 7.5 Various alternative layouts for the Community POD site are being developed to reflect a range of office, partner and community accommodation and services that could be incorporated, and potentially for additional buildings to be added at some point in the future after an initial POD development has been completed.
- 7.6 A consultant architect with extensive experience of designing new special schools and additional support needs facilities has been engaged to assist with the development of the project brief and the initial floor plans and external layouts that have been prepared. A series of design workshops will be held with stakeholder groups in the coming weeks to establish a clear vision for the new school building. This will ensure that it provides first-rate facilities to meet the needs of every child that will attend St Clement’s in the future and maximise the benefits to be realised from this once in a generation opportunity.
- 7.7 Officers have been consulting with parents of the St Clement’s pupils to obtain feedback on their views, answer questions or discuss any concerns that they may have. The following is a response to some of the issues raised by parents during the consultation process so far:-
- a) The school will retain its own Head Teacher and would not have to share educational resources if located on the same site as the primary school.
 - b) The planned design workshops will ensure that the new building provides a safe and calm environment that meets the needs of every child that will attend St Clement’s.
 - c) The workshops will also ensure that St Clement’s pupils will have access to dedicated facilities.
 - d) The workshops will also consider the type of outdoor spaces required, with a variety of areas and facilities to provide the correct environment.
 - e) The two site options were selected as they can accommodate the dedicated outdoor space that St Clement’s will require and have the capacity for future expansion, if required.
 - f) The final decision will be based on delivering the greatest educational benefits for both schools, and the maximum economic benefit for the wider community.
 - g) Expanded mainstream provision would be available in the new Dingwall Primary School building, but only for those children for whom this would be appropriate.
 - h) Traffic and drop-off layouts will be carefully considered for each option to ensure that the appropriate arrangements are in place for St Clement’s.

- 7.8 Officers have also assessed the relative merits of the two options to identify the potential education benefits of each to inform a final decision on the preferred location. The conclusions are that the Community POD option will provide a range of additional benefits as summarised below.
- a) Access to a specialised support and mainstream setting to support learning and meet the needs of individual children with equitable opportunities for success.
 - b) To make sure that children receive appropriate support at the right time to develop skills, talents, and mental and physical abilities.
 - c) Increased opportunities in which pupils with a disability can participate in the wider curriculum on offer where possible.
 - d) Co-location with partners providing enhanced opportunities for interdisciplinary working and increased access to wider support services to deliver positive outcomes with effective and targeted deployment of resources.
 - e) Shared location breaking down barriers in the wider community for the promotion of inclusion, making the transition to the wider world more accessible, and removing the stigma about attending ‘the special school’.
 - f) Opportunity to attend the same educational location as siblings and friends, with inclusive practice being at the forefront of education delivery.
 - g) Opportunity to develop and maintain friendship groups across the location, building on wider community links.
 - h) Integration between pupils would give mainstream pupils the opportunity to experience a more diverse cohort, paving the way for life beyond school.
 - i) Opportunity for access to opportunities beyond the school day with shared clubs accessible to all.
 - j) Staff training and moderation across the shared location to be more effective in preparing staff to meet moderate to complex additional needs.
- 7.9 Despite the reassurance provided over some of the concerns and issues raised, not all parents are persuaded as to the potential benefits of co-location. It is therefore proposed that a further period of engagement is undertaken, supported by the design workshops, prior to launching the statutory consultation that would be required to relocate St Clement’s to the Community POD site. It is intended that the anticipated educational benefits are demonstrated and discussed fully with parents and other stakeholders and that they in turn have the opportunity to inform and influence the proposals before launching the formal consultation process.
- 7.10 The quantum of funding directed towards the Dingwall part of the HIP is up to £50m. Members should be aware that any decision to progress separate sites for schools in Dingwall may result in this affordability envelope being breached. This will have the impact of delaying the timing of a replacement Dingwall Primary school, leaving it to be considered against a much later timeline for delivery, when considered against all other school projects, given the number that are in either poor condition or suitability.
- 7.11 Therefore, should Members agree to pursue the Community POD option, it is strongly recommended that informal consultation with parents and other stakeholders from both schools commences immediately. This will be completed prior to submitting a report to the Education Committee meeting on 4 June 2025. The report will set out the proposal to relocate St Clement’s School to the Community POD site in line with the capital funding allocation and the delivery timescales outlined in this report.

- 7.12 There will also be an opportunity for the new St Clement's School to include facilities that could support participation in disability sport in its new location. Officers will engage with High Life Highland, SportScotland and other partner organisations to determine the type of facilities that would be required and the sports and activities that could be supported.
- 7.13 Work is progressing on the review of the wider community, sports and leisure provision in Dingwall, including the Dingwall Leisure Centre and the Highland Football Academy facilities, to determine the level of future capital investment necessary to sustain and upgrade the services provided and to complement the new facilities that will be contained in the Community POD. This will be a capital investment priority for the HIP and an update on the works required and capital cost will be included in the June 2025 report.

8 Thurso Place-Based Review

- 8.1 The December 2024 report included a recommendation that the preferred model for the Thurso POD based on more comprehensive place-based mapping will be reported to the Council meeting in June 2025.
- 8.2 Since December, officers have attended the regular Service Supported Business Meetings with Caithness Members to update them on progress and to discuss next steps.
- 8.3 A joint Area Place Plan/HIP public engagement session in Thurso Library on 18 February was well attended, and the feedback was positive. Further engagement on the HIP workstream will take place in due course and information will be uploaded to the Council website as it becomes available.
- 8.4 A review of the Community, Leisure and Sports provision and facilities in the Thurso High ASG will be undertaken, looking at potential gaps and future opportunities. High Life Highland will lead on engagement with sports clubs and community groups to help shape priorities for further consideration.
- 8.5 Initial engagement with public sector partners on potential co-location opportunities is being led by Hub North. This will determine specific accommodation requirements and service delivery models to maximise co-location opportunities and will inform the appraisal of site options that is underway.
- 8.6 Although the current exercise is focussed on Thurso, there are several areas where a Caithness-wide view is required, including depots, offices and community, leisure and sports facilities. Lessons from the major capital investment in Wick need to be identified, particularly in relation to the future use of buildings and sites that may become surplus to operational requirements.

9 Early Smaller Scale HIP Investment Possibilities

- 9.1 As well as the improvements to provision that will be progressed through the normal capital planning programme, the HIP investment does allow further opportunities for improvement to existing facilities or for new opportunities, particularly where match funding exists, to sustain and expand on participation in all areas.
- 9.2 Through this approach, there will be engagement with partner agencies such as SportScotland to explore and maximise the funding opportunities through the HIP and the mainstream capital programme.
- 9.3 The Community, Sports, and Leisure Facility Strategy approved by the Education Committee in November 2023 highlighted the City of Inverness, in a Highland context, as the most financially viable location for regional facilities. The strategy also set out the Associated School Group (ASG) approach to developing area plans that will support the place-based HIP programme.
- 9.4 In terms of regional facilities, Inverness Leisure Centre is the flagship site in the Highlands for leisure, recreation, health, and wellbeing, as well as being a local asset and major visitor attraction. The centre, and the wider offering within the site, provides access to the athletics training and competition level facilities for all disciplines and it is the regional centre for athletics competitions in the Highlands.
- 9.5 The site needs substantial capital investment to maintain and expand these facilities to address life cycle requirements and provide a sustainable facility to cope with the increased demand and capacity issues experienced due to the housing expansion in Inverness and the wider area. The works include but are not limited to, the replacement of the running track and associated athletics facilities maintenance works, appropriately planned replacement of the floating floor, review options for the flumes which are currently out of commission due to end of life failures, roof repairs and general building fabric and services works. Moreover, there are energy improvement works to be implemented to ensure that site is contributing to the Net Zero agenda targets and reducing energy costs.
- 9.6 Members are also asked to consider the opportunities for new regional facilities that can attract further match funding. These regional facilities are intended to improve access to high quality facilities for all residents in Highland, rather than focus purely on elite pathways. Of particular note at this current time is the potential for an Indoor Tennis Centre, and discussions have taken place with the Governing body on developing a proposal for the east side of Inverness. Subject to further design work, and the business case being finalised, this may present an opportunity that HIP funding could be directed towards in the short term.

- 9.7 The Council will be resurfacing three synthetic playing fields in 2025/26 at Mallaig High, Plockton High and Wick High Schools, with a total capital investment of over £1m. A programme of future investment in existing well-used school and community facilities such as these will be developed for the coming years. Other opportunities throughout the Highland area will continue to be reviewed and prioritised as demands emerge.
- 9.8 Reference is made below to the strategy being prepared for Council depots. Members are also asked to agree that should shorter term opportunities arise that complement the place-based approach being undertaken in relation to the HIP, that these can be accelerated and brought forward as Business Cases for approval to proceed at pace.
- 9.9 The intention to bring all our school buildings up to at least a “B” rating for Condition and Suitability was stated in the May 2024 HIP report and reiterated in the Learning Estate Strategy approved by the Education Committee in February 2025. Work is underway to prepare a plan that will set out how this could be achieved, and an update will be provided at the Council meeting in June 2025. This will include options to provide sustainable school and community facilities in islands and remote peninsulas, along with staff housing issues that are being faced in some of these locations.

10 Lochaber Adult Care Provision

- 10.1 As Members will be aware, the Council is currently purchasing the Moss Park Care Home in Caol, Fort William, which will be operated by NHS Highland. The aim of taking over the service is to avoid immediate disruption for residents and secure care provision in Lochaber for the next 2-3 years. In the longer term, a different care model will be required to ensure that future provision meets the needs of the community.
- 10.2 A Strategic Outline Business Case will be prepared to explore options for the future delivery of care services in Lochaber that would be consistent with an overall strategic plan for the wider Highland area. The first stage of this work will comprise the development of the strategic objectives and desired outcomes and is expected to take up to 3 months. An update will be brought to the Council meeting in June 2025.

11 Other Workstreams

- 11.1 **Learning Estate Strategy (LES):** The LES was approved by the Education Committee on 26 February. The vision behind the LES is for a well-maintained estate that supports the Council’s ambitions for high quality inclusive education for all learners, focused on continuous improvement, raising attainment and sustained positive destinations. The LES is also fully aligned with the approach set out in the HIP and the approved Community, Sports, and Leisure Facility Strategy, and will also align with the Strategic Asset Management Plan that is being prepared, thereby ensuring that decisions around investment are consistent with the Council’s wider strategic priorities.

11.2 **Strategic Asset Management Plan (SAMP):** As a core part of the Council's Delivery Programme the Council has started work to prepare a SAMP which is aimed at addressing and coordinating the main issues and challenges for asset management in Highland. In line with professional standards and best practice the SAMP will be prepared with input from representatives of all Council services, but also customers and partners, to ensure that it presents an effective and efficient approach to asset management. Alongside engagement with elected Members and wider stakeholders, a new Asset Management Board will play a role in overseeing the preparation of the SAMP, with links to the Highland Property Partnership being made to ensure a cross-partner approach. Discussions are also underway to integrate the SAMP with other workstreams including the Capital Programme and Learning Estates Strategy, as well as the Council's Future Operating Model, Workforce Planning and the Customer Experience Model.

A project brief for this work, including a clear timeline for its preparation and engagement, will be shared in the coming weeks. The key issues and themes that the SAMP will seek to address include: -

- **Alignment with Strategic Goals:** To ensure all property related decisions support the organisation's overall strategic objectives, particularly the Delivery Plan, HIP and Highland Outcome Improvement Plan.
- **Asset Life Cycle Management:** From acquisition to disposal to maximise asset value and performance.
- **Sustainability and Environmental Impact:** To ensure asset management activities support the Council's Net Zero targets.
- **Data and Information Management:** Ensuring accurate and up-to-date information on assets is maintained for informed decision-making.
- **Risk Management:** To ensure reliability and safety.
- **Best Value:** To ensure the costs associated with property management, maintenance, and operations are minimised without compromising quality.

Alongside, where appropriate, it is intended that the emerging methodology can be applied to other asset management workstreams which could include projects such as the Depots Transformation Project.

11.3 **Depots Transformation Project:** Work is being accelerated on a Depots Transformation Project which is being supported by the HIP. Outcomes from the review of depot provision will establish cases for priorities and actions that will support the operational service delivery for the local areas.

A structured approach highlights the stakeholders and the needs in the areas, along with undertakings to include the public sector partners. The activities will help outline the strategy for improving and investing in these vital facilities to modernise and decarbonise our estate and Council operations and provide best value.

The reviews will clarify how depots are functioning and where opportunities for efficiencies might be made whilst improving the delivery of Council services in each of Highland's sub-regions.

The recent depot report on Dingwall rationalisation highlighted opportunities of new sites for relocation. Those sites will be analysed to provide best value options that support our corporate objectives.

Progress continues to be made on gathering the current and future stakeholders' requirements along with other colocation opportunities. A preferred Dingwall-wide depot option is being developed, and a future recommendation will be supported by a comprehensive business case.

Designation: Assistant Chief Executive – Place

Date: 17 March 2025

Authors: Malcolm MacLeod, Assistant Chief Executive – Place
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Robert Campbell, Service Lead – Capital Planning and Estate Strategy
Annika Jansson, Chief Officer Education (Primary)
Fiona Grant, Chief Officer Education (Secondary)

Background Papers: Establishing the Highland Investment Plan and Mechanisms to Fund and Deliver It (May 2024) [Report](#)
Highland Investment Plan – Next Steps (June 2024) [Report](#)
Highland Investment Plan – Progress Update (October 2024) [Report](#)
Highland Investment Plan – Progress Update (December 2024) [Report](#)

Appendices: Appendix 1: Key Performance Indicators
Appendix 2: Phase 1 HIP Projects – Capital Expenditure Profiles
Appendix 3: Phase 1 HIP Projects – Project Delivery Timescales

Successful Project Development and Delivery

Specific	Measurable	Achievable	Realistic	Timebound
Development of an Outline Business Case - OBC	Preparation of an Outline Business Case for approval to proceed to Full Business Case	An Outline Business Case is prepared using the five-case model within the timetable agreed through a commissioning agreement.	The development of the Outline Business Case should be informed by a partnership approach to identify key Strategic drivers at the outset of the project which are aligned to the partners priorities.	Delivery of the programme for an Outline Business Case which is adjusted to reflect any agreed Client changes.
Development of a Full Business Case - FBC	Preparation of a Full Business Case for approval to proceed to an investment decision	A Full Business Case is prepared using the five-case model within the timetable agreed through a commissioning agreement.	The development of the Full Business Case should be informed by a partnership approach to confirm the options and supporting impact, benefit and risks which are aligned to the partners priorities.	Delivery of the programme for a Full Business Case which adjusted to reflect any agreed Client changes.
Project Development stages delivered in accordance with the approved budget.	The Project development is achieved at or below the agreed budget. This includes the business case (Strategic, OBC / FBC) and Project development Stages.	The Project Development is achieved within the agreed budget which is scoped through a commissioning agreement	Budget for project development stages will be agreed in accordance Caps, with relevant adjustments permitted through agreement with the Client	Delivery compared to agreed development programme and scope. The development programme can be adjusted to reflect agreed Client changes
Construction Stage is delivered in accordance with	The Construction Stage is delivered at or below an agreed affordability cap (budget including optimism	The Affordability cap includes adjustments permitted where expressly agreed with the Client.	The Affordability cap for the construction stage is based on the outcome of the development process including assessment of relevant benchmarks,	Delivery compared to agreed construction programme adjusted to reflect any agreed

the approved budget	bias) as validated as part of the Business Case and Project development Stages.		market testing and value for money appraisal including risk allocation to reach Financial Close Costs generated by the construction and commissioning programme will be independently reviewed and tested including relevant local and national cost and risk benchmarking	Client changes or valid extension to programme compliant with the form of contract
Specific	Measurable	Achievable	Realistic	Timebound
Construction Stage is delivered in accordance with the approved Programme	The construction and commissioning stage is achieved at or within the programme for operational service delivery of the project.	The construction and commissioning programme will be developed in partnership including early involvement in the project development process of construction partners.	The Construction stage programme will be tested and challenged through the project development process. The information from early involvement of construction partners will be independently reviewed and tested including relevant local and national programme benchmarking.	Delivery compared to agreed construction programme adjusted to reflect any agreed Client changes or valid extension to programme compliant with the form of contract.
Specific	Measurable	Achievable	Realistic	Timebound
Agreement of the project Final Account	The agreed Final Account is delivered within the parameters within the Agreement.	The Final account includes adjustments made where expressly agreed under the contract change control procedures	Contract Management and reporting is ongoing through a structured process with information shared in an open and transparent manner to ensure that there is always a clear understanding of the contract value by all parties.	The timescale for the agreement of the Final Account is set out in the Design and Build Agreement.
Specific	Measurable	Achievable	Realistic	Timebound
Project Quality Standards are delivered and evidenced	Quality Parameters are met which are set out within the Contract Documents	The project quality parameters are reviewed and tested as part of the Project development process and set out in the	Meeting the quality parameters is evidenced through the quality management process including agreed site inspection and handover process. Lessons learnt to influence improved	Delivery of the construction programme a in accordance with timescales as agreed

		Quality Plan which is created at the start of the project definition process.	quality outcomes are embedded in the partnership approach. Developing a culture of quality is a shared responsibility between Client and partners.	within the final Design & Build Agreement. Quality Management systems and reporting to be agreed as part of project quality plan.
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Developing a Successful Partnership Environment

Specific	Measurable	Achievable	Realistic	Timebound
Active Partner Participation	Partners to identify a lead representative, attend quarterly meetings and contribute to the partner network of learning and information sharing.	A strategic and operational representative is required from each organisation. Representatives to be at an organisational level where resources can be directed and information provided to support the aims of the Place based approach	All organisations are moving through the transformation journey to support sustainable reform. Transformation strategies and service redesign to have defined lead representatives identified within each organisation as key points of contact	Partnership meetings to be held quarterly with monthly progress updates and actions shared across partners to ensure pace and momentum
Specific	Measurable	Achievable	Realistic	Timebound
Sharing information between partners to support improved outcomes	investment plans, asset management plans and relevant transformation and service strategies are shared as they are updated by partners. Opportunities are sought for co-produced plans	Plans and strategies are collated and supporting data shared by the Programme Management function. The use of the most appropriate information sharing platform is to be	All organisations have existing relevant plans and strategies and will be responsible through the lead representatives to share the current versions and updates through the Programme Management function	Sharing of current information and timing of revisions to key partner information to be a standing item on each quarterly meeting of the Partnership meetings

	between Local Authority Partners	agreed which is accessible by all partners		
Specific	Measurable	Achievable	Realistic	Timebound
Opportunities to enhance inward investment	Share awareness and review of investment opportunities through the partner network.	Agree how proposals to support investment opportunities are to be resourced and supplement resource through commissioning specific capacity and expertise to develop shared proposals.	The partner network and structure for oversight and assurance including the Highland Property Partnership creates the connected environment for opportunities to be identified. The Programme Management function provides the capacity to supplement partner resources to develop and test opportunities through developing shared cases for investment that meet the strategic needs for partners that are designed to deliver the outcomes for communities.	The timing associated with specific opportunities will be determined by the key drivers for investment i.e. availability and timing of funding including grants, fiscal reporting requirements
Specific	Measurable	Achievable	Realistic	Timebound
Identify funding to augment the Highland Investment Plan	Utilise a funding tracker across partners to seek additional funding opportunities to support the delivery of the Highland Investment plan and the aligned activities of partners.	Engage with public and private sector partners to secure affordable and sustainable funding and investment by demonstrating impact and benefit of shared outcomes. The Highland Investment Plan creates the opportunity to develop a long-term pipeline of investment that aligns need and opportunity to the delivery of the priorities for	The implementation of the Highland Investment Plan is underpinned by a financial strategy that will enable investment but continue to require decisions to be made on Council wide priorities. The long-term planning and scale of the opportunity creates the conditions for developing supplementary and complementary funding. The skills and network to do this will be delivered through the Programme Management function.	The timing associated with specific opportunities will be determined by the key drivers for investment i.e. availability and timing of funding including grants, fiscal reporting requirements

Specific	Measurable	Achievable	Realistic	Timebound
Focus on transformation opportunities to inform models of service delivery	Action plans and reporting of progress for service transformation strategies to be shared across Partners to identify opportunity and awareness.	partners and communities in the Highlands. The Highland Investment Plan and the Highland Property Partnership provides a leadership role in delivering reform and transformation by collaborating with partners. The network across partner organisations can be used to develop examples of transformational change and how these can be scaled.	The capacity to implement reform and transformation requires to be prioritised in terms of internal and supplementary external resource. It should be acknowledged that this is a parallel workstream to delivering business as usual for public sector partners	Timescales as defined in the Acton Plans for Service Transformation and associated strategies

Delivering Effective Programme Management

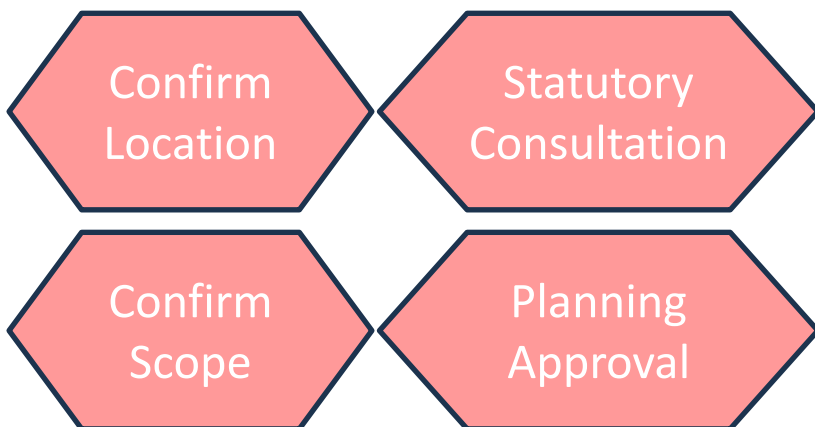
Specific	Measurable	Achievable	Realistic	Timebound
Improvement and Innovation	Undertake customer satisfaction. interviews with lead representatives Feedback parameters and relevant measures to be developed and agreed.	Learning is an embedded element of the partnering approach and time, and capacity will be allocated to capture and share this on an ongoing basis so that it has a dynamic benefit	There must be a commitment to the capacity required to harness the understanding and benefit from learning on an ongoing basis which should form part of the	Information shared dynamically as it becomes available to act on by partners. Quarterly reporting to partners on key learnings

	Quarterly reviews to be carried out and reported to partners to identify key learnings and opportunity.	that can be shared between organisations	Programme Management Function	Formal Annual review of feedback measures, parameters and outcomes
Specific	Measurable	Achievable	Realistic	Timebound
Performance monitoring and Reporting to Partners	<p>Development and agreement of partner KPI's reflecting the delivery parameters for the Highland Investment Plan</p> <p>Report to Partnership meetings setting out progress towards agreed priorities, opportunities key risks, resources shared learning and decisions required.</p> <p>Horizon scan of next 24 months</p>	<p>The Partnership will be supported by a Programme Management Function which will have the responsibility and capacity for monitoring and reporting to the Partnership meetings. This should also include the development of a communication strategy, tailored to support organisations internally and externally with the transformation and service reform actions</p>	<p>There must be a commitment to the capacity required harness the understanding and benefit from learning on an ongoing basis which should form part of the Programme Management Function</p>	<p>Monthly flash reporting prepared.</p> <p>Quarterly reporting to the Partnership meetings</p> <p>Annual review and update of the partnership terms of reference, vision and goals</p>

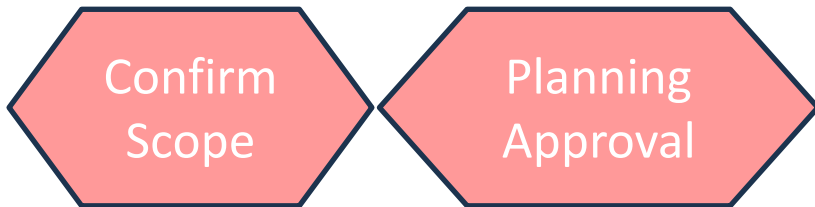
Appendix 2 - Phase 1 HIP Projects - Capital Expenditure Profiles

Location	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Totals
	24/25 £m	25/26 £m	26/27 £m	27/28 £m	28/29 £m	29/30 £m	30/31 £m	31/32 £m	
Beauly		3.0	8.0	8.0	1.0				20.0
Charleston		1.0	4.0	28.0	28.0	10.0	8.0	1.0	80.0
Dingwall		2.0	5.0	17.0	17.0	8.0	1.0		50.0
Dunvegan		4.0	10.0	3.0	1.0				18.0
Fortrose		2.0	5.0	6.0	6.0	4.0	1.0		24.0
Inverness High		2.0	4.0	7.0	6.0	4.0	1.0		24.0
Thurso		1.0	3.0	4.0	40.0	40.0	11.0	1.0	100.0
Sub-Totals	0.0	15.0	39.0	73.0	99.0	66.0	22.0	2.0	316.0
Programme Contingency		1.0	2.0	4.0	4.0	4.0	1.0		16.0
Sub-Totals	0.0	16.0	41.0	77.0	103.0	70.0	23.0	2.0	332.0
Other Priorities (Averaged Over Yrs. 2-7)		9.33	9.33	9.33	9.33	9.33	9.33		56.0
Total Expenditure	0.0	25.3	50.3	86.3	112.3	79.3	32.3	2.0	388.0
Indicative HIP Quantum	47.9	51.9	56.0	50.3	55.5	60.4	66.0	0.0	388.0
Cumulative HIP Quantum	47.9	99.8	155.8	206.1	261.6	322.0	388.0	388.0	
Cumulative Expenditure Totals	0.0	25.3	75.7	162.0	274.3	353.7	386.0	388.0	
Over/Under-Programming	-100.0%	-74.6%	-51.4%	-21.4%	4.9%	9.8%	-0.5%	0.0%	

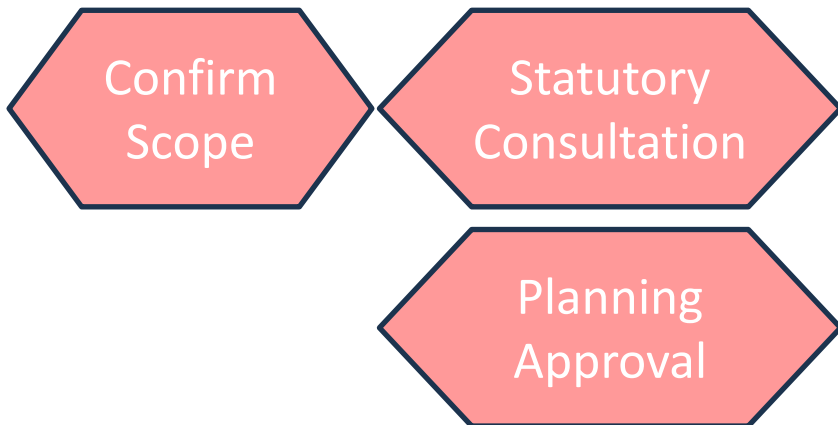
Beauly



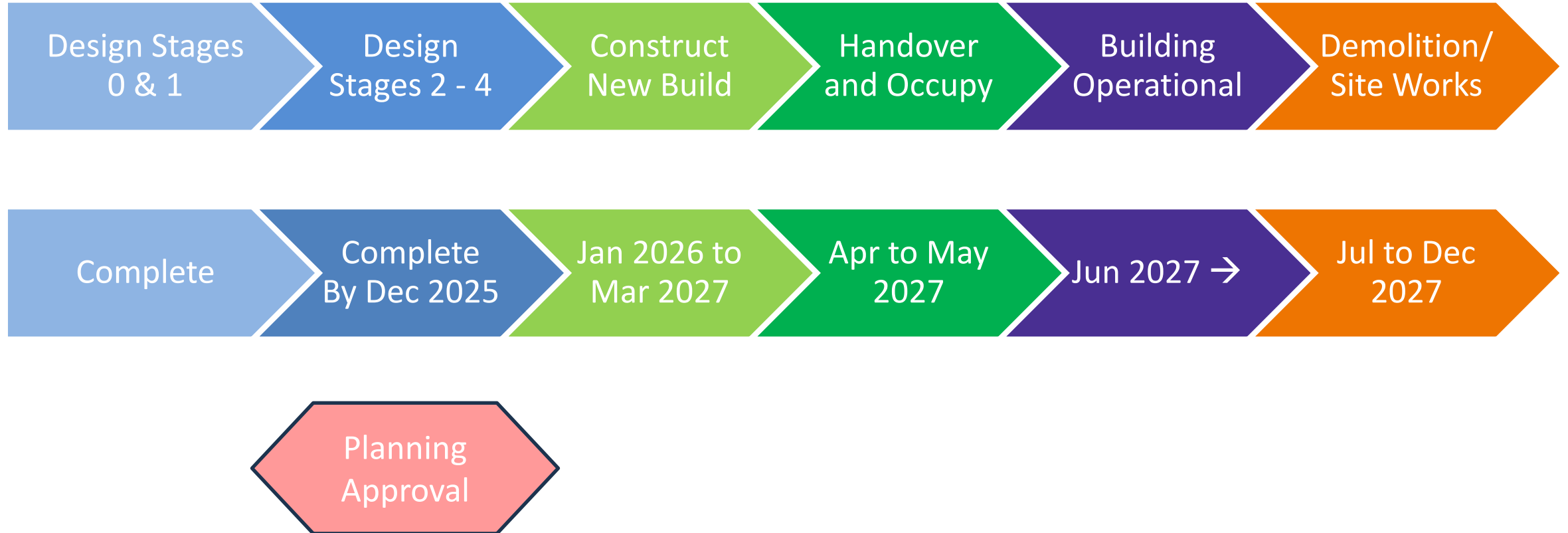
Charleston



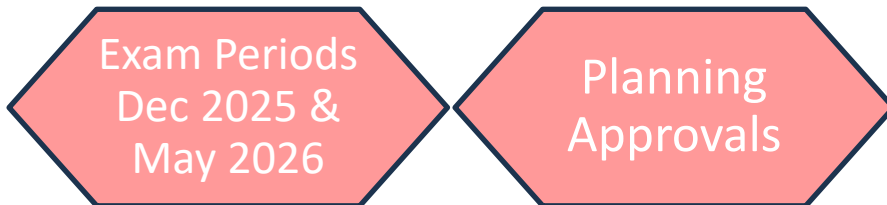
Dingwall



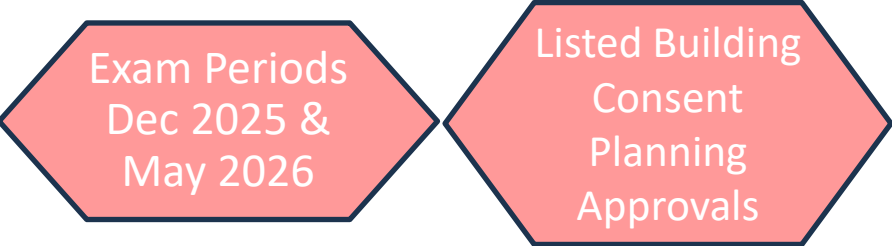
Dunvegan



Fortrose – Construction Phases



Inverness High – Construction Phases



Thurso

