

The Highland Council

Agenda Item	12
Report No	ECI/41/25

Committee: Economy and Infrastructure

Date: 13 November 2025

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

Report By: Assistant Chief Executive - Place

1	Purpose/Executive Summary
1.1	<p>The Highland Council's Delivery Plan 2024-2027 is structured around a portfolio management approach, managed through 6 Portfolio Boards. Each project is reported to a relevant committee for consideration and scrutiny in terms of the Portfolio Reporting Cycle agreed at Council on 15 May 2025. Exceptions to this general rule may apply when for example circumstances merit a standalone project/programme report to either committee or council. If exceptions apply this report will signpost to where the relevant reporting can be found.</p>
1.2	<p>This report provides financial, performance, risk and general information on the following Delivery Plan projects/Programme:-</p> <p>My Highland Future</p> <ul style="list-style-type: none">• Universal – Employer Engagement & Job Opportunities• Targeted – Council Future Workforce <p>Reconfiguring our Asset Base</p> <ul style="list-style-type: none">• Highland Investment Plan – Roads & Infrastructure Improvement Programme <p>Net Zero, Energy, Investment & Innovation (NZEII) Portfolio</p> <ul style="list-style-type: none">• Investment & Innovation – EV Infrastructure• Investment & Innovation – Battery Storage System – former Torvean Quarry
1.3	<p>The content and structure of the report is intended to:-</p> <ul style="list-style-type: none">• assist Member scrutiny and performance management• inform decision making and aid continuous improvement; and• provide transparency and accessibility

2 Recommendations

- 2.1 Members are asked to **scrutinise** and **note** the report, including progress to date and next steps.

3 Implications

- 3.1 **Resource** - Any resource implications (if any) for delivery plan projects or programmes will be detailed in the Financials sections of each of the project updates provided below.
- 3.2 **Legal** - This report contributes to the Council's statutory duties to report performance and secure best value in terms of; Section 1(1)(a) of the Local Government Act 1992, and Section 1 of the Local Government in Scotland Act 2003, respectively.
- 3.3 **Risk** - There are no risk implications arising as a direct result of this report. Project/Programme risks are identified via the council risk management process and monitored through the Portfolio Boards and are reported in the Risk sections of each project update below.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – No implications.
- 3.5 **Gaelic** - There are no Gaelic implications arising as a direct result of this report.

4 Impacts

- 4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.
- 4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.
- 4.3 This is a monitoring and update report and therefore an impact assessment is not required.

5 My Highland Future – Universal: Employer Engagement & Job Opportunities

5.1 Overall RAG

**Project: Employer Engagement &
Job Opportunities**

R ●
A ●
G ●
C ●

This project has three inter-linking work packages and is currently on target.

Work Package 1: Skills Boards

With a focus on the Highland Employer Charter during this reporting period, the Skills Boards development has gathered pace, albeit slower, hence the Terms of Reference development milestone is reporting some slippage. Key activity includes:-

- First cohort of the Highland Employer Charter provided a trial for cross-organisational roundtables, illustrating that the input from the SME cohort was significantly different to the large business representation.
- Obtained evidence that skills boards need to be equitable and have representation from a broad demographic of businesses, including small and micro businesses to allow for a more effective picture of the region's needs being developed.
- The portfolio team have been investigating an offer by Hub North to support the logistics and development of prospective skills boards.
- Skills Boards terms of reference are being drafted.
- Work has started to map existing skills-related groups impacting the development of Skills Boards, to understand regional coverage, remit and membership, to reduce any risk of duplication of work.
- Additional staff resource is now available to support Skills Board Terms of Reference development.

Development of Skills Boards directly aligns to the recently developed regional roadmap for the Workforce North partnership.

Work Package 2: Highland Employer Charter

The Highland Employer Charter has successfully moved through the first phase of a 4-phase delivery approach. This phase has:-

- Developed visual identity (logo and visual media).
- Chartership process mapped.
- Engaged with organisations from key skill sectors, highland wide, business sizes (Large, SME, Micro).
- Successfully onboarded first cohort and conducted site visits and assessments for chartership.
- UKSP Fund – secured £50,000 to support Highland Employer Charter brand development, marketing materials, digital platform and employer engagement expenses.

Presentation of final approved awards is pending, and the second phase is currently in pre-start stage.

The Employer Charter milestone has been reported as some slippage, due to competing priorities within the team, the confirmation panel for final chartership awards was delayed. The first awarding event was held at the start of October, which complete the pilot of the charter.

Charter activity highlights:-

- The Highland Employer Charter's mission statement was developed: "To Champion Good Practice in Employment".
- Mission statement developed from regular observation of positive approaches to supporting employees and innovative investment in the region was under-reported and under-represented in the region's media and business discussions.
- Product research indicated that the chartership process must not overly complex to support greater equity in completion.

- The Project Manager identified a number of Highland businesses/organisations to engage for the first phase of the charter and found that 8 out of the 10 invited wanted to engage (with the latter 2 unable to engage due to logistical pressures).
- Formal branding graphics to support the charter have been produced.
- Virtual roundtable of the first phase invitees was completed, with organisations directly inputting into the regional need for an initiative like the Employer Charter.
- Next step developed a formal in-person roundtable discussion, which included input from relevant Highland Council services (Social Value, Work.Life.Highland, Licencing).
- This engagement provided:-
 - constructive feedback shaping the evidence requirements for the charter's pillars;
 - information regarding various areas of good practice being conducted in the region; and
 - highlighted key differences in the HR processes between large and small highland businesses.
- A LinkedIn presence is being developed to highlight the ongoing work around the Employer Charter.
- Further integration between the "Employ Highland" pillar and Highland Employability Partnership's Work.Life.Highland brand is on-going.
- Assessment process, with documentation, criteria, and template policies (to support smaller businesses and organisations) developed and shared with engaged businesses for feedback.
- The Project Manager conducted 8 site visits to each organisation in the first cohort. The initial site visit helped to identify areas to improve assessment recording for all subsequent assessments
- Focus on developing a paper-less digital assessment document, which allowed for efficient recording across all 7 subsequent site visits, across Strathspey, Inverness, Cromarty Firth, Caithness.
- Formal process mapping was conducted to support digital platform development
- Knowledge exchange was conducted with Greater Manchester Combined Authority to discuss their employer charter and heavy digital presence.
- All 8 businesses were successfully granted an award in principle, with 5 gold, 2 silver, 1 bronze.

Work Package 3: Work Life Highland Brand

[Work. Life. Highland](#) is the brand name for the Highland Employability Partnership. The Partnership brings together public, private and third sector organisations supporting individuals on their journey towards, into and within employment.

The Partnership's aim is to raise as many Highland residents as possible out of poverty through sustainable and fair work assisting both individuals and employers across the Highlands unlock their work potential.

Since launch in November 2024 to 1 October 2025 the Work. Life. Highland website has had 16.1k views from 6.5k visitors. The busiest month to date was July 2025 and Facebook is the single largest method for directing people to the site.

Content on the site is updated regularly, particularly with promotional materials for upcoming events across the Highlands. The site has helped raise awareness of the employability services on offer in communities across the Highlands and the number of referrals generated by the site continues to grow.

5.2 Key Milestones & Requests for Change

Milestones currently set up in PRMS to monitor progress of the programme are as follows:-

MILESTONES		CURRENT STATUS
<i>Starts Aug 25 / Completes Oct 25</i>	Employer Engagement & Job Opps: WP1a Map and engage with current relevant skillsgroups	M6 25/26 On Target
<i>Starts Jul 25 / Completes Sep 25</i>	Employer Engagement & Job Opps: WP1b Draft Terms of Reference template for use by each new Skills Board	M6 25/26 Some Slippage
<i>Starts Sep 25/ Completes Mar 26</i>	Employer Engagement & Job Opps: WP1c Create system to ensure effective communication between skills boards and key stakeholders	M6 25/26 On Target
<i>Starts Oct 25/ Completes Mar 26</i>	Employer Engagement & Job Opps: WP1d New Sector Skills Boards – strategic plan agreed by each board, informing future delivery action plan	
<i>Starts Jun 25 / Completes Sep 25</i>	Employer Engagement & Job Opps: WP2a Highland Employer Charter – complete pilot phase, leading to official launch	M6 25/26 Some Slippage
<i>Starts Oct 25/ Completes Mar 26</i>	Employer Engagement & Job Opps: WP2b Highland Employer Charter – evidence industry pledges for aspects of the 'My Highland Future' programme	
<i>Starts Apr 25/ Completes Mar 26</i>	Employer Engagement & Job Opps: WP2c Highland Employer Charter – Deliver digital platform to support Charter activity (UKSPF Project)	M6 25/26 On Target
<i>Starts Jul 25/ Completes Dec 25</i>	Employer Engagement & Job Opps: WP3 Continue to connect with HEP to support WLHB communication	M6 25/26 On Target
<i>Starts Jul 25/ Completes Dec 25</i>	Employer Engagement & Job Opps: WP4a Workforce North – Contribute to mapping regional Workforce demand	M6 25/26 On Target
<i>Starts Jul 25/ Completes Dec 25</i>	Employer Engagement & Job Opps: WP4b Workforce North – Contribute to mapping delivery vehicles for skill	M6 25/26 On Target

5.3 Financial Summary

There are currently no Delivery Plan financial elements directly relating to this project. The staff delivering this project are budgeted through the investment allocated to the portfolio for Future Highland Workforce.

5.4 Key Risks

Risks associated with the project are currently being reviewed, as per the Council's Corporate Risk policy, and revised as part of the recent Portfolio reconfiguration. These risks will be presented in the next scheduled report to committee.

5.5	<p><u>Forward Plan</u></p> <p>Work Package 1: Skills Boards</p> <ul style="list-style-type: none"> Mapping existing relevant skills groups, membership and remits to inform this work will continue and be completed by the end of October. Once terms of reference are completed, shared with Hub North and revised, invitations to businesses will begin (5 tier 1 organisations, 5 SMEs, 5 Skills Organisations, Highland Council).
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- We will be encouraging all skills sector invited organisations to be signed up and awarded through the Highland Employer Charter (part of phase 2 employer charter plans) through the terms of reference.
- Construction skills will be the first board developed and established over October, with hospitality being developed 4-6 weeks after.
- Once boards are established, regularity of meeting schedules will be agreed by the board (Quarterly, tri-yearly, bi-yearly), with an immediate focus on apprenticeships in the region, skills academies, and sustainable employment (jobs).
- Skills boards updates will be provided aligned to agreed meeting schedules.

Work Package 2: Highland Employer Charter

- The **first phase** of the project is complete.
- An evaluation of the pilot in phase 1 will be conducted.
- The evaluation will inform preparation for phase 2 and the development of a business case detailing how the Highland Employer Charter will be embedded as business as usual by the Council.
- **Phase 2** will focus on two parallel but separate cohorts, SMEs and Tier 1 Contractors. This will inform and stress the developed assessment and awarding process to support iterative improvements.
- **Phase 2** will also include more public scrutiny as the employer charter will be publicly visible at three (possibly 4) major events in the region (including: Inverness Chamber Spotlight, Focus North Summit, Jobs Mega Event).
- Development of the charter's digital platform will begin with the procurement of a web developer to support development from October to February, this digital platform will be the main tool to support open application to the employer charter.
- **Phase 3** will begin at the end of the year, with a focus on 3rd sector and land management organisations (Highland Estates, NatureScot, Woodland Orgs) who are at the fringe of employability (heavy volunteering use for former, hazardous field work and high stress conditions for latter).

Updates to milestones and measures for the Highland Employer Charter work package will be available on PRMS.

Work Package 3: Work Life Highland Brand

- Continue grow the Work Life Highland Brand through promotion and engagement with potential client groups and employers.
- Work with the Highland Employability Partnership (HEP) and the Workforce North partnership for connected approach across Highland.
- Working towards being embedded as business as usual by December 2025.

6 My Highland Future – Targeted – Council Future Workforce

6.1 Overall RAG



The Council Future Workforce project is moving forward, with some notable achievements since the previous report.

- The Paid Summer Placement project work package was a success, with the Council employing young people from Highland Schools during the summer holiday. The young people were paid real Living Wage for their 4-week placement. Work is underway to grow this initiative for summer 2026.

This work package delivered 7 Paid Summer Placements across 6 services:-

- Learning and Development/Business Support
 - Licencing
 - Health and Social Care:-
(2 applicants: 1 funded by My Highland Future/1 funded by HSC)
 - Customer Service Centre
 - The Bus Service
 - Climate Change and Energy
- Research has started and is ongoing to grow graduate placements/roles – including Graduate Apprenticeships, Graduate Programmes, Internships to support future workforce.
 - Data Analyst appointed to the My Highland Future Team to continue work on TalentLink data analysis and work with HR Data team to connect useful recruitment data sources to create beneficial business intelligence and ‘easy to read’ dashboards.
 - HR policies and strategies have been updated and shared in recent months, this project aims to ensure that these are embedded and adopted by service teams and managers are confident in recruiting and supporting staff. This work package links with the portfolio project Highland Employer Charter and the Council’s desire to be an employer of choice, and the launch of the Investors in People programme of work.
 - There is some slippage starting the Recruitment process review due to competing priorities and staff capacity. However, during the next reporting period, the progress of this milestone will be on target. (Revised Policy and Guidance will be available Q1 2026)
 - Management training on Traineasy is being reviewed and updated.
 - A cross-service working group is now in place to drive the Talent Strategy, connecting multiple service areas and Delivery Plan projects to help embed concepts to improve talent attraction and retention for Highland Council, this includes co-ordinating the Council’s approach to developing, delivering and promoting recruitment promotional activities.
 - Hard to fill vacancies have been identified and work is ongoing to tailor recruitment strategies according to needs.
 - Processes updated to start to embed Employee Benefits when promoting vacancies on My Job Scotland from September/October, and details are being added to a ‘landing page’ on the new Highland Council website, together with an introduction and all the information needed for an applicant to understand what is available and how to apply. This new landing page will also provide links directing applicants to information, for example Disability Confident and relevant Armed Forces details.
 - Development of a generic promotional recruitment film is underway.
 - All Services and Clusters have had 2025/2026 Workforce Plans approved in Strategic Committees.
 - The Workforce Planning Toolkit is being reviewed this year to be implemented across all Clusters in 2026.

- Succession Planning for managers training e-learning module is in development, planning to 'go live' by November 2025.

6.2 Key Milestones, Measures of Success & Requests for Change

Milestones currently set up in PRMS to monitor progress of the programme are as follows:-

MILESTONES		CURRENT STATUS
<i>Starts Jul25 / Completes Sep25</i>	Council Future Workforce: WP1a: Analysis - Recruitment TalentLink data	M6 25/26 Completed
<i>Starts Oct25 / Completes Mar26</i>	Council Future Workforce: WP1b: Work with schools/Social work to understand related business intelligence	
<i>Starts Apr26 / Completes Jun26</i>	Council Future Workforce: WP1c: Work with HR Data team to triangulate data	
<i>Starts Sep25</i>	Council Future Workforce: WP2a: Policy updates – deliver action plan to embed strategies	M6 25/26 On Target
<i>Starts Aug25 / Completes Mar26</i>	Council Future Workforce: WP2b: Recruitment – review, identify and action areas of improvement	M6 25/26 Some Slippage
<i>Starts Apr26 / Completes Oct26</i>	Council Future Workforce: WP2c: Inductions – review, identify and action areas of improvement	
<i>Starts Sep25 / Completes Jan26</i>	Council Future Workforce: WP2d: Develop toolkit for hosting a work placement/intern/work experience opportunity	M6 25/26 On Target
<i>Starts Sep25 / Completes Mar26</i>	Council Future Workforce: WP3a: Work with Highland schools to develop pathways into the Highland Council	M6 25/26 On Target
<i>Starts Apr25 / Aug25</i>	Council Future Workforce: WP3b: Deliver pilot senior phase school pupils paid summer placements in THC	M5 25/26 Completed
<i>Starts Sep25 / Completes Feb26</i>	Council Future Workforce: WP3c: Review and grow senior phase school pupils paid summer placements in THC	M6 25/26 On Target
<i>Starts Sep25 / Completes Jan26</i>	Council Future Workforce: WP4a: Co-ordinate/design collective cross-Council approach to promotional recruitment activities	M6 25/26 On Target
<i>Starts Sep25 / Completes Jan26</i>	Council Future Workforce: WP4b: Plan activities and content to be delivered promoting the Highland Council as an employer of choice	M6 25/26 On Target

6.3 Financial Summary

There are no Delivery Plan financial elements associated with this project that are due to be reported in this Financial Year. The staff supporting project delivering are budgeted through the investment allocated to the portfolio for My Highland Future.

6.4 Key Risks

The key risks for the programme currently being managed and monitored via PRMS are as follows:-

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING RESPONSE	
Council Future Workforce: Failure to improve recruitment and retention to supply future Council workforce	12	Treat

Following a project review and refreshed milestones, this risk has been reviewed as per the Council's Corporate Risk Policy. Updated details are being drafted for Portfolio Board approval.

The My Highland Future cross-portfolio risks, also being reviewed, relate to:-

Risk:	Update:
Staffing and Recruitment – Delay in securing required staff capacity to support delivery of the portfolio projects	Portfolio staff requirements initially planned and agreed have been fulfilled. However, the portfolio has grown from 5 to 9 projects. One additional staff resource has been added to the portfolio, with further review required.
Connected Communication – Disconnected cross-portfolio communication and engagement with stakeholders	Methods to improve connection of communication cross-portfolio have been researched and developed. Details have been shared with the team and training is to be delivered.
Data Sources – Lack of connected cross-portfolio data to create meaningful business intelligence to inform decisions, reporting and future targets	Data Analyst appointed in August 2025, this work is now being revisited. Data Sources being reviewed and prioritised for improvements.

6.5 Forward Plan

Key activities in next reporting period

- Recruitment process review and rollout of in-person recruitment training for managers.
- Grow the Summer Paid Placements programme for Highland school pupils to launch in spring 2026.
- Continue to improve business intelligence to support project development and future decision-making, particularly linked to ASN and CEYP, and how to support providing opportunities within the Council for work experience or paid placements.
- Engage with the IIP programme to gain feedback regarding HR policies and strategies embedded in service delivery.
- Begin work developing a toolkit to support service teams when hosting a work placement/intern/work experience opportunity.
- Continue working with schools to develop pathways into Highland Council.
- Continue developing coordinated approach to planning and promoting recruitment activities for the Council, encouraging service teams to jointly deliver the workforce for the future.
- Workforce planning toolkit review.
- Succession planning toolkit roll-out.
- Increased e-learning for managers.
- Further analysis of Talentlink data to inform future recruitment strategies.
- Increase number of opportunities for MAs & FAs in the Council.

Milestones will be reported monthly, with details available in PRMS, and measures will generally be reported and aligned to the Financial year.

7 Reconfiguring our Asset Base - Highland Investment Plan: Roads & Infrastructure Improvement Programme

7.1 Overall RAG



The overall rag status of the programme is green. The Roads and infrastructure improvement Programme is a multi-year programme. While some individual milestones have slipped, the programme has and continues to be delivered and remains on track overall. Works have continued for the 2025/26 financial year, including the Area surfacing and surface dressing programmes.

The overall RAG of the Active Travel /road safety element of the Programme is Green. Milestones are on target and contractors for our largest Active travel projects (Wick and Culbokie) are on the ground and due to finish March 2026. The Active Travel and Road safety allocations are on target to spend by end of the F/Y

7.2 Key Milestones, Measures of Success & Requests for Change

<i>Starts Feb 24 / Completes Jun25</i>	Road and Trans. Prog.: Corran Ferry Detail Design	M5 25/26 Completed
<i>Starts April 24; Completes May 24</i>	Road and Trans. Prog: Strategy & Plans approved	M2 24/25 Completed
<i>Starts Mar24 / Completes Jan25</i>	Road and Trans. Prog.: Corran Ferry Environmental Impact Assessment	M1 25/26 Completed
<i>Starts Jun24 / Completes Jun 25</i>	Road and Trans. Prog.: Corran Ferry Land Acquisition	M6 25/26 Some Slippage
<i>Starts Oct24 / Completes Jun25</i>	Road and Trans. Prog.: Corran Ferry Contract Documentation	M5 25/26 Completed
<i>Starts Jan25 / Completes May25</i>	Road and Trans. Prog.: Corran Ferry Planning Application and Consent	M5 25/26 Completed
<i>Starts Feb 25 / Completes Oct 25</i>	Road and Trans. Prog.: Corran Ferry Marine License Application and Consent	M6 25/26 On Target
<i>Starts/Completes Feb25</i>	Road and Trans. Prog: Local Transport Strategy approved	M11 24/25 Completed
<i>Starts Feb25 / Completes Mar26</i>	Road and Trans. Prog: Wick High Street	M6 25/26 On Target
<i>Starts/Completes Mar25</i>	Road and Trans. Prog: Deliver capital projects n line with HIP 2024/25	M12 24/25 Completed
<i>Starts Apr25 / Completes Mar27</i>	Road and Trans. Prog: Delivery of Corran Ferry infrastructure improvements	M5 25/26 On Target
<i>Starts Mar25 / Completes Mar27</i>	Road and Trans. Prog: Local Transport Strategy Delivery Plan progressed and finalised	M6 25/26 On Target
<i>Starts Apr25 / Completes Mar26</i>	Road and Trans. Prog: Culbokie Active Travel Village	M6 25/26 On Target
<i>Starts Apr25 / Completes Mar26</i>	Road and Trans. Prog: Delivery of Highland Council's Annual Active Travel Capital allocation	M6 25/26 On Target
<i>Starts Aug 25 / Completes Oct 25</i>	Road and Trans. Prog.: Corran Ferry Tender Period	M6 25/26 Some Slippage
<i>Starts Aug25 / Completes Feb27</i>	Road and Trans. Prog.: Corran Ferry Construction	M6 25/26 Some Slippage
<i>Starts Dec25 / Completes Feb26</i>	Road and Trans. Prog: Annual Submission of Active Travel Infrastructure Construction and Design applications	
<i>Starts Apr 25 / Completes Mar 26</i>	Road and Trans. Prog: Deliver capital projects n line with HIP 2025/26	M5 25/26 On Target

Measures of Success

The following Measures of Success are currently set up in PRMS for this programme:-

Road and Transport Programme: No. new/improved facilities re Active Travel [reporting starts Q1 24/25]	80
Road and Trans. Prog.: Spend of annual Highland Council's Active Travel Capital Allocation [reporting starts FY25/26]	£ 309,000
Road network to be considered for maintenance CP2.03	39.1 %
Road and Transport Programme: Reduction of injury collisions [reporting starts FY23/24]	82

7.3 Financial Summary

- I. Savings: There are no savings indicators associated with this project.
- II. Investment: The Roads and Infrastructure Improvements programme has approved investment of £40,000,000. The 2024/25 out-turn was £16,990,000. Forecasted spend is being updated and monitored via PRMS and as at Month 6 (October 2025) spend was:-

£	Road and Transport Programme: Investment: Capital	£ 11,766,000
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7.4 Key Risks

The following key risks are set up and being updated and monitored in PRMS for this programme:-

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
Roads Capital Projects: Impact of operational demands on the delivery of capital projects	6	Treat
Roads Capital Projects: Impact of high inflation	6	Tolerate
Road and Trans. Prog: Corran Ferry Delay in Planning and Marine licenses	2	Tolerate
Road and Trans. Prog: Corran Ferry Delays in Infrastructure Upgrades for Electric Vessel	9	Tolerate
Road Safety & Active Travel: Reduction in External Funding Streams	6	Tolerate

No change in Risk rating for Road Safety and Active Travel – tolerate. Funding is allocated annually as a block grant to Highland Council from Transport Scotland, the team also apply to a competitive funding round (SG ATIF tier 2).

7.5 Forward Plan

Roads Investment - The Capital plan for roads investment is being developed through work overseen by the Roads Re-design project which is reviewing potential changes to

the methodology for the prioritisation of resources. Two Member workshops have been held, and a further final workshop follow up is being planned.

Roads Re-design - In addition to progressing the third Member Workshop as detailed above, the following priorities have been agreed for Roads Redesign Phase 2.

Abnormal Loads: The Council has signed up to the service provided by the vendor and data gathering to set it up is currently ongoing.

Temporary Traffic Regulation Order Software: The development site has been released to internal users and user testing including feedback is ongoing. The software is expected to go live in November.

Traffic Regulation Order Software: At the time of writing this report, project development is set to commence, with the initial working group meeting planned for the end of October.

Road Defect Monitoring: Market research, including meetings with suppliers and relevant internal staff, and discussions with other local authorities, has now been completed. A high-level specification as well as benefits and risks have been defined. Next steps are to complete the specification to inform the procurement process.

Route Optimisation: Market research is ongoing. Supplier and internal staff discussions are in progress, with other Local Authority discussions to commence once contacts have been identified.

Job Card Digitisation: Market research is ongoing. Scoping discussion with the Amenity Service is to take place in early November. Similar discussions with Roads, Finance and Business Support Teams to follow. A Network Request has been placed through the Association for Public Service Excellence (APSE) to receive information from other Local Authorities.

Active Travel/Road Safety /Sustainable Transport

Wick High Street: Construction commenced 27 October 2025 with the programme scheduled to run until 31 March 2026. Funding for the project has been secured from Transport Scotland through Tier 2 of the Active Travel Infrastructure Fund.

Culbokie Active Travel Village: Construction commenced 18 August 2025 with the programme scheduled to run until 31 March 2026. Funding for the project has been secured from Transport Scotland through Tier 2 of the Active Travel Infrastructure Fund.

Local Transport Strategy and Delivery Plan: The Local Transport Strategy (2025 to 2035) was approved at the February 2025 Economy and Infrastructure Committee where Members also agreed that Officers progress with the Delivery Plan and the development of a Full Monitoring and Evaluation Plan. This work is underway and will be completed by 31 March 2026.

Active Travel Capital Allocation: During the period April to September 2025 the Active Travel Capital Budget has delivered 6 projects to improve Active Travel in Highland; including projects in Thurso, Wick and 4 in Inverness. The projects have delivered 72 new accessible drop kerbs, 600 metres of widened footpath, 38 junction improvements and also accessible street furniture. Construction works are also progressing at Smithton Road in Inverness to deliver 800 metres of widened and resurfaced shared use

footpath that will link Barn Church Road and Caulfield Road North (NCN 1) funded partly by the Capital budget and UK Shared Prosperity Funding. Design work is also progressing to improve footpaths at Inverness Gilbert Street, Fortrose High Street and at Torlundy Road and Angus Crescent in Fort William. Design and supervision costs are funded from the budget towards all projects delivered.

Road Safety Improvement Fund: For 2025/26 The Highland Council have been awarded £977,643.00 of Scottish Government grant funding for the implementation of schemes to help reduce collisions on the Local Authority road network. The programme of works for this fund includes specific route treatment improvements on the A939 Grantown to Nairn and the A861 Corran to Drumsallie, focusing on sections with bends that would benefit from targeted road safety treatments along with passing place improvement works etc.

The fund will also see the delivery of road safety improvement schemes including an A9 side road treatment programme, safety enhancements and speed limit reductions at Granish, Aviemore and the Culloden Moor B9006/C1028/C1088 Junction, as well as speed limit changes and improved pedestrian access over the Railway Bridge in Sunnyside. The fund will also deliver gateway improvements at Lairg, Elphin, Keiss, Reiss, John O'Groats, Watten, Auckengill, Lochinver. During the period April to September 2025 the A939 route treatment works have been completed, the gateway programme and Granish works have been designed, tenders awarded and construction imminent, the remainder of the programme is in the design and consultation phase.

ATIF Tier 1: The Highland Council has received £1,213,000 in funding to deliver Active Travel and Safer Routes to School improvement projects in 2025/26. The 25/26 programme can be viewed in Item 7 of the August E&I Committee. The Road Safety Team are 50% through the delivery of the 25/26 programme which includes the implementation of improvements including signing and lining, dropped kerbs, cycle shelters, crossing and junction improvements and traffic calming.

Bikeability: £76,055 in funding has been confirmed from Cycling Scotland for academic year 2025-2026 to support delivery of Level 2 on road training, increase the number of casual instructors employed and create a formal Learn to Ride programme. In academic year 2024-2025, Level 2 on road training was delivered with 41% of Highland primary schools taking part, which equates to 1216 of pupils receiving this vital life skill. Additional to this, Highland Council instructors helped 20 pupils learn to ride, with feedback from pupils and parents being highly positive. To meet increasing demand, delivery targets for Level 2 Bikeability training has been raised to 50% for 25/26 and recruitment of additional casual instructors is ongoing. Delivery rate for Term 1 in academic year 25/26 was 5% with Term 2 seeing scheduled delivery of a further 11% of schools.

Local Authority Direct Award (LADA): The Highland Council has received £168,946.22 for financial year 2025/26. The funding has been used to recruit four new Behaviour Change Officer posts, cycle parking and fleet maintenance and updating existing and introducing new active travel/Safer Routes to School initiatives; for example pilot walking and wheeling route signage and the Go For It scheme was launched in September 2025. The Behaviour Change Officers are based across the Highland Council area and are delivering active travel and road safety projects, engaging with schools, workplaces and community groups within their localities, and delivering Bikeability sessions to primary school pupils.

20MPH: The TRO for Highland wide 20mph programme has now been implemented – June 2025. Currently implementing 20mph carriageway roundels, speed indication devices and gateways to support this programme.

8 Net Zero, Energy, Investment & Innovation (NZEII) Portfolio, Investment & Innovation: EV Infrastructure

8.1 Overall RAG



The Highland Council completed work on a Pathfinder Project, receiving a grant of £6.58m in January 2024 from Transport Scotland, in collaboration with Aberdeen City Council, Aberdeenshire Council and Moray Council, forming the North of Scotland estate. The project aims to identify charge point requirements across the region and the preferred delivery model that can attract private sector investment. The project looks to expand the Council's network by 150 chargers (500 across all Councils).

Following Contract Award to EZO in May 2025, final contract negotiations is ongoing ahead of contract signing. Upon contract signing, work will commence to migrate the existing council-owned EV network from Charge Place Scotland onto the EZO platform, followed by the development of Pathfinder 1 sites.

8.2 Key Milestones, Measures of Success & Requests for Change

MILESTONES		CURRENT STATUS
<i>Marked as completed Jan24</i>	EV Infrastructure: Council receive funding offer from TS	M10 23/24 Completed
<i>Starts Apr24 / Completes Aug24</i>	EV Infrastructure: Project Board established	M7 24/25 Completed
<i>Starts Apr24 / Completes Jun24</i>	EV Infrastructure: Tender issued	M2 24/25 Completed
<i>Starts Jul24 / Completes Sep24</i>	EV Infrastructure: Commercial partner appointed	M3 25/26 Completed
<i>Starts Apr25 / Completes Jun25</i>	EV Infrastructure: Income share being received	M6 25/26 Some Slippage
<i>Starts / Completes Jan 26</i>	EV Infrastructure: Review transition stage	
<i>Starts Dec25 / Completes Mar26</i>	EV Infrastructure: Project Closure Milestone 1/1/26 to 31/3/26	

8.3 Financial Summary

- i. Savings - No direct savings directly attributed to this project have been identified.
- ii. Income - The EV Infrastructure Project has an income target of £100,000 in FY 25/26.

- iii. Investment – External funding through Transport Scotland has been secured in current year to fund legal consultancy and the newly established Contract Management Team.
- iv. Mitigations – Contract signing needs to be prioritised to ensure the timely roll-out of Migration and Pathfinder 1 phases.

8.4 Key Risks

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
EV Infrastructure: Grid Restraints	6	Tolerate
EV Infrastructure: Contractor & Councils Capacity	9	Tolerate
EV Infrastructure: Constraints of land that the council does not own	9	Treat
EV Infrastructure: Main Contractor Not Appointed	0	Closed

Grid Constraints: There is a risk that grid capacity limitations could restrict the ability to install charging infrastructure at key sites, potentially delaying the project and limiting its impact. Engage with the Distribution Network Operator (DNO) early in the planning stages to identify feasible sites and develop a program of work that aligns with grid capacity. Collaborate with the DNO to explore grid enhancement options and identify areas where demand management solutions or grid upgrades may be required.

Operational Risk: Operational issues such as equipment delays, challenges in coordinating with contractors, or unforeseen site conditions could result in project delays. Implement a robust project management plan that includes regular progress reviews and contingency strategies. Maintain strong communication channels with all stakeholders, ensure backup resources are available, and conduct early site assessments to minimize unexpected challenges.

8.5 Forward Plan

Detailed contract negotiations is ongoing between EZO and partner councils to ensure a smooth transition period. To mitigate delays to contract signing, back-office testing, asset checks and project planning is being carried out to ensure Migration deadline is met.

9 **Net Zero, Energy, Investment & Innovation (NZEII) Portfolio, Investment & Innovation: Battery Storage System – Former Torvean Quarry**

9.1 Overall RAG

Project: Battery Storage System -
former Torvean Quarry

R ●
 A ●
 G ●
 C ●

Project Status: Amber

This project is Amber because income has not yet been generated. Income will be generated through an option to lease and subsequent lease payments.

This project has been further delayed due to no successful tender bids being received after the completion of a tender process through Public Contracts Scotland. Support and engagement have now commenced with procurement to explore direct award.

Strategic Approach:

The Highland Council will enter a Lease agreement with a single, lead developer for the area of land identified at Torvean, Canal Road, Inverness, IV3 8FF. The agreed purpose is the development and optimisation of a battery energy storage facility. In addition to revenue generated through the site lease, and Option to Lease preceding execution of the Lease agreement, the Highland Council expects to enter a gainshare payment agreement with the successful bidder. Bidders are required to offer a percentage revenue generation agreement. The Highland Council expects a gainshare agreement of more than 10%, based on gross project figures, calculated annually.

Revenue Streams:

- **Option to Lease:** Revenue will initially come from the execution of an option to lease. The minimum acceptable site exclusivity rate is £15,000 per annum.
- **Land Lease:** The minimum acceptable rate is £2,500/MW installed capacity. This amount is based on the sites 9.9MW grid-limited capacity, resulting in £24,750 per annum.
- **Gainshare Payments:** Developers will be required to offer a minimum 10% of gross revenue. Gainshare income will only be realised once the facility is commissioned and operational.

9.2 Key Milestones, Measures of Success & Requests for Change

MILESTONES		CURRENT STATUS
<i>Marked as completed Feb24</i>	Battery Storage: Grid connection awarded	M11 23/24 Completed
<i>Marked as completed Mar24</i>	Battery Storage: Initial developer proposal engagement	M12 23/24 Completed
<i>Starts Apr24 / Completes Sep24</i>	Battery Storage: Business case prepared and approved	M9 24/25 Completed
<i>Starts Apr24 / Completes Jan25</i>	Battery Storage: Issue Preliminary Market Consultation [PMC]	M10 24/25 Completed
<i>Starts Apr25 / Completes Jun25</i>	Battery Storage: Tender issued	M4 25/26 Completed
<i>Starts / Completes Nov 25</i>	Battery Storage: Contract award	M6 25/26 Some Slippage
<i>Starts / Completes Nov 25</i>	Battery Storage: Site lease commenced; lease payments received	M6 25/26 Some Slippage
<i>Starts Aug 25 / Completes Aug 26</i>	Battery Storage: Closure Milestone	M6 25/26 Some Slippage
<i>Starts Aug25 / Completes Aug26</i>	Battery Storage: Facility construction to commissioned and operational	M6 25/26 Some Slippage
<i>Starts / Completes Aug26</i>	Battery Storage: Revenue share received	

Tender development is now complete, and documents have been uploaded to Public Contract Scotland.

Contract award milestone has slipped due to stage one electronic Single Procurement Document (eSPD) walkthrough clarifications. The next stage of evaluation includes full evaluation of bidder’s submissions including presentation.

Measures of Success Update:

Environmental measures have been included to ensure the project delivers wider benefits beyond financial returns. A minimum 10% Biodiversity Net Gain will be achieved, with baseline data collected during initial site development. Progress will be monitored against this baseline to ensure compliance.

9.3 Financial Summary

£	Income Generation: Battery Storage - FY 24-27	£ 0
£	Battery Storage: Investment Yr2 25/26	£ 125,000

Investment:

As of Month, 6 (FY 2025/26), £93,109 has been committed or spent. This includes the grid connection security payment, legal and consultancy fees as well as initial site investigation surveys required to establish the projects feasibility.

It should be noted that additional spend will be necessary at the next grid connection project gateway to maintain the application's progress through the process.

- i. Savings
No direct savings directly attributed to this project have been identified.
- ii. Income
No direct income from the project has been achieved in the year to date.

9.4 Key Risks

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
Battery Storage: Planning Issues	6	Treat
Battery Storage: Public Perception	8	Treat
Battery Storage: Insufficient Developer Investment	6	Treat

Risk Management:

All identified risks are within the Highland Council's tolerable thresholds and are being actively managed within normal project parameters.

Planning Issues:

There is a risk of encountering planning-related challenges due to insufficient planning guidance or regulations.

- **Primary Risk Category:** Financial – potential impact on the Council's revenue, capital budgets, or reserves.

- **Mitigation:** The Council will continue to monitor planning guidance, review other BESS developments in the Highland area, and apply best practice and sector trends throughout project development and delivery.

Public Perception:

Negative public perception could impact project delivery, driven by concerns over energy storage systems, perceived risks, or environmental issues.

- **Primary Risk Category:** Financial – potential impact on the Council’s revenue, capital budgets, or reserves.
- **Mitigation:** The project team will proactively engage with key stakeholders, including the public and local community groups, to address concerns and build support.

Insufficient Developer Investment:

There is a risk that developers may be unwilling to invest without sufficient returns based on generation, discharge capacity, and asset resale value.

- **Primary Risk Category:** Financial – potential impact on the Council’s revenue, capital budgets, or reserves.
- **Mitigation:** The project team will actively engage with the development market early, identifying and supporting potential investors to unlock opportunities.

9.5 Forward Plan

During the evaluation of bidder submissions, the Highland Council Project Team will assess each proposal against a defined set of criteria to ensure the selected developer aligns with both the project objectives and the Council’s wider organisational aims. Bidders must provide details of their commercial and financial approach, including:

- Any sub-contractors or partner organisations involved in delivery.
- Relevant experience and track record on similar projects; and
- Compliance with all applicable regulations and standards.

Developers must also demonstrate a clear understanding of the project milestones required to maintain delivery on schedule. Performance against these milestones will be tracked through a suite of Key Performance Indicators (KPIs), which the successful bidder will be required to report on regularly.

To ensure technical robustness, the Project Team may engage an independent specialist to review the technical feasibility of proposals and confirm they optimise potential revenue generation.

Bidders must also present a community and stakeholder engagement strategy outlining how they will promote awareness of the project, highlight its benefits, and demonstrate alignment with Net Zero principles.

The commercial evaluation will include:

- Minimum payments of £15,000 per annum for the site option and £2,500/MW for the site lease;
 - The opportunity for bidders to offer higher payments; and
 - A Gainshare Payment proposal, expressed as a percentage of gross revenue over multiple years.
-

Designation: Assistant Chief Executive - Place

Date: 27 October 2025

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Background Papers: None

Appendices: None