

The Highland Council

Agenda Item	5iii.
Report No	CCC/2/26

Committee: Climate Change

Date: 28 January 2026

Report Title: Net Zero Thematic Group Update - Built Estate & Energy

Report By: Assistant Chief Executive - Place

1 Purpose/Executive Summary

1.1 The report provides an update on the progress of work being undertaken by the Built Estate and Energy Thematic Group.

2 Recommendations

2.1 Members are asked to **note** the contents of this report.

3 Implications

3.1 **Resource** - the function of the Net Zero Thematic group requires significant staff time across Council services and High Life Highland (HLH).

3.2 **Legal** - the Council has several requirements in respect of reporting against its climate change obligations, in addition to being required to directly support Scotland's target to end its contribution to climate change no later than 2045.

3.3 **Risk** - failure to proactively address the climate and ecological emergency across all service delivery areas carries significant reputational risk, particularly considering the political ambition at both local and national levels around the climate change agenda. In addition, failure to take a proactive approach to climate change action will limit opportunities to secure external funding.

3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** - No implications arising from this report.

3.5 **Gaelic** - No implications arising from 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 Net Zero Thematic Group update – Built Estate & Energy

- 5.1 The Built Estate and Energy thematic group have undergone several resource changes recently and is looking for a reset to ensure the most appropriate representation is on the group. It is still anticipated further staff members could join to ensure collaboration and communication is spread throughout all Services to achieve the best result overall.
- 5.2 The Thematic Group had been meeting intermittently for a while and as of this year a regular structure of meetings will be put in place to review workstreams within the revised thematic group Action Plan as detailed in **Appendix 1**.
- 5.3 One of the first Thematic group actions will be to review the current Action Plan workstreams. Initial meetings have expanded the workstream actions and over the next year it is hoped each section will be developed further.

6 Action Plan – Various Updates

- 6.1 The Council's Heating Policy, approved in May 2024, states that heating systems should be switched off during the non-heating season. As reported on 5 November 2025 a joint assessment by the Climate Change and Energy Team (CCET) and Property Management was undertaken of the status of heating systems during the first week of the school summer holidays in 2025. As a follow up it is intended to repeat this exercise next summer with properties proactively having to confirm that they have switched off their heating system in line with the heating Policy.
- 6.2 As a reinforcement it is also intended that all properties with remote access building management systems (BMS) will be programmed to turn off heating systems automatically from 1 June to 31 August. If temperatures drop during those periods the individual properties can override the programmer to boost the temperature within their property. Those properties with a BMS will also be programmed to turn off the heating from Christmas Eve until the second of January. For reassurance, the systems do have frost protection, and this will activate if required.
- 6.3 Over the following year further guidance and training will be rolled out to both Responsible Premises Officers (RPO's) and Catering Cleaning and Facilities Management (CCFM) staff on how to operate the heating systems in their properties.

- 6.4 The current Net Zero and Sustainability Design standards are being reviewed and updated before coming back to Members for approval.
- 6.5 A Strategic Asset Management Plan (SAMP) has been written and approved by the Reconfiguring our Asset Base portfolio board, the plan included key principles, several of these reflect on sustainability, net zero and carbon impact targets. A SAMP assessment tool has been developed with sustainability and net zero, biodiversity, energy efficiency considerations included.
- 6.6 Human Resources (HR) have developed a flexible working policy that supports the delivery plan portfolios Future Operating Model (FOM), Asset Reconfiguration and Net Zero. Embedded within this is lowering our carbon footprint by using space and technology more dynamically and realising financial targets by rationalising physical assets. The FOM has appointed a Programme Manager who is leading on workstreams including hybrid working, booking systems and smarter working pilots. Asset Management are involved in all projects and are working to ensure that net zero, carbon and reuse benefits are captured during this work.
- 6.7 Over two hundred Net Zero and Energy surveys have taken place. The focus is now to implement various recommendation identified within these surveys.
- 6.8 A programme to upgrade existing fossil-fuel heating systems to low or zero carbon alternatives is ongoing. Several option appraisals are underway. Due to the number of non-domestic oil and gas properties and the likely requirement to replace entire heating systems this workstream would require a substantial capital investment.
- 6.9 Combined with the limitations of some low and zero carbon technologies and the constrained electrical infrastructure, consideration will be given to the use of hydrotreated vegetable oil as a drop-in replacement for oil fired heating systems. There is an increased revenue cost associated with this fuel source at present, although it is hoped that as demand increases, the costs will reduce.
- 6.10 The Area Review Programme is ongoing and reports to the Strategic Asset Management Board. The Climate and Energy Team are board members, providing oversight and input on all property reviews and related matters. They are actively engaged in multiple property reviews, supplying information and prioritising surveys to support informed decision-making.
- 6.11 Several workshops have already taken place in December of last year with the project Team, Energy Team and representatives of the Hub undertaking the Highland Investment Plan (HIP). These workshops involved discussions on the Councils expectations relating to Net Zero aspirations on the projects within the HIP programme. The Council has confirmed that it will be adopting full Passivhaus certification on all HIP projects. Passivhaus is the leading international low energy design standard, backed with over 30 years of building performance evidence. It is a tried and tested solution that enables a meaningful transition to net-zero.

- 6.12 The appointment of Passivhaus certifiers is ongoing and their role will be independent and impartial oversight of the entire certification process, including initial review, design review, construction review, as-built assessment, and final certification.
- 6.13 Full compliance with the Scottish Public Sector Net Zero building standard will also be delivered on all HIP projects, so that aspects such as Inclusive Net Zero Economy Outcomes are considered and evaluated. These outcomes have the potential to contribute positively towards improving the lives of people, supporting inclusive and sustainable economic growth and creating more successful places.

Designation: Assistant Chief Executive - Place

Date: 27 December 2025

Author: Allan Henderson, Programme Manager (Capital)

Background Papers: Net Zero Thematic Group [Update](#) – Built Estate & Energy
Developing a Future Operating Model for the [HC](#)

Appendices: Appendix 1 – Built Estate & Energy TG Action Plan

Thematic Group Name		Built Estate & Energy							
Thematic Group Lead		Allan Henderson							
Description of Action	Delivery Lead	Timeline	Planned Outcome(s)	Outcome Measure(s)	Resource Assessment		Costs	Financial Assessment	
					Are additional resources required to deliver? E.g. staffing, software, etc Are the required skills and tools already available?				
					Initiation	Ongoing			
1.0	Implementation of Corporate Heating Policy (non-domestic estate)	Built Estate & Energy Thematic Group	Implemented within 2 years	Heating policy in use as business as usual (BAU)	Heating policy guidelines and settings applied consistently	Completed	Property & Energy Teams maintain oversight against compliance.	Achievable within existing resources, or realistic prospect of additional resources	Expected to reduce consumption and associated costs.
1.1		Property	Implemented within 2 years	Prepare guidance on controls and make available to building users	Heating policy guidelines and settings applied consistently	Completed	Completed. However, will need some follow up refresh	Achievable within existing resources, or realistic prospect of additional resources	N/A
2.0	Energy and Carbon performance assessment (non-domestic estate)	CCET	Implemented within 2 years	Performance benchmarking tool	Tool up to date, available and accessible publicly	Completed	Completed. To be updated annually with potential for expanded scope and information provision	Achievable within existing resources, or realistic prospect of additional resources	N/A
2.1		Built Estate & Energy Thematic Group	Ongoing	Performance benchmarking tool	Review data	Completed	Completed	Achievable within existing resources, or realistic prospect of additional resources	N/A
3.0	Net Zero Design Standard Established	Property	Implemented within 2 years	Determine net zero carbon standards for all new buildings	Net zero carbon standards determined for all new buildings	Consider the actions required to design to net zero standards (Property service working group)	Review of current standards underway before submitting to Members for approval	Achievable within existing resources, or realistic prospect of additional resources	Short term uplift compared to current standards, however external funding provision unlikely without compliance
4.0	Programme of energy awareness and training	Built Estate & Energy Thematic Group	Ongoing	Improved energy awareness and efficiency in non-domestic estate	Reduce utility consumption by 10% by raising awareness of ways to reduce energy	ECO officer network to be re-established and supported. Delivery of staff training and awareness sessions. Training to be rolled out to Members and Senior Management.	Provision of associated information and materials on website and directly to staff.	Achievable within existing resources, or realistic prospect of additional resources	
4.1	Inclusion of energy awareness within hybrid working policy and guidance	CPAM	Ongoing	Hybrid Working Policy, flexible office guidance and Asset Management staff comms to include energy awareness information, guidance on Council expectations around behaviour and best practice and links to Heating Policy	Contribute to reduced energy consumption by raising awareness of ways to reduce energy in the workplace and when working from home. <i>(Are emissions associated with agile and home working to be reflected within general reporting? Mechanism for assessment may need to be developed?)</i>	Future Operating Model approved by Members	FOM programme Manager appointed to implement processes.	Achievable within existing resources, or realistic prospect of additional resources	
5.0	Net Zero & Energy surveys	CCET	Implemented within 2 years	Knowledge and awareness of actions required to be undertaken to transition to Net Zero	Site specific reports detailing measures required to transition to Net Zero carbon emissions. Database of associated projects, detailing cost/benefit analysis.	Energy Team re-purposed to focus on undertaking. Additional temporary staff to be recruited to support.	Ongoing. After initial phase, to be delivered as part of Energy Team BAU.	Additional resourcing required, potentially self funded subject to approval	

6.0	Convert all fossil-fuel heating systems to low or zero carbon alternatives	Property	Over 20 years	Convert all fossil-fuel heating systems to net zero carbon alternatives	Heating systems converted	Feasibilities of existing sites to be developed	Programme of works to be developed	Additional external resourcing and/or facilitation required	There are currently 162 non-domestic properties with oil or gas heating plant. Most of these would need complete heating system replacements (pipes, pumps, emitters) if heat pumps were to be installed - average costs are likely to be considerable
6.1	Options appraisal to be carried out to determine how the heating systems can be converted to non-fossil fuel	CCET	Implemented within 2 years	Definition of measures required to convert fossil fuel heating systems to net zero.	Library of costed measures	Options appraisal to be carried out on heating systems with life expectancy less than 5 years.	Subject to reviewed following completion of initial phase	Achievable within existing resources, or realistic prospect of additional resources	N/A
7.0	Investigate, develop and install renewable energy generation projects on Council buildings and land.	CCET	Ongoing	Increased renewable energy generation	Capacity (kW) of energy generation installed	Energy Team re-purposed to focus on undertaking. Additional staff to be recruited in line with wider team restructure.	Staff resource requirement in respect of installations and ongoing maintenance of asset base.	Additional resourcing required, potentially self funded subject to approval	Approval & progression based upon achieving targeted ROIs
8.0	Asset Management to utilise performance benchmarking tool and net zero surveys to inform property rationalisation programme	CPAM	Ongoing	Property reviews to include performance information and forecast capital investment required for net zero upgrades and conversion of heating systems to non-fossil fuel to inform options and recommendations	Rationalisation programme delivers best value, is aligned to corporate objectives and contributes to achieving net zero targets	CPAM team – no additional requirement	Now part of BAU of CPAM practice.	Achievable within existing resources, or realistic prospect of additional resources	No additional costs forecast, options to focus on cost avoidance and reducing revenue costs through rationalising into the existing estate.
9.0	Solar PV Council Estate	CCET	Ongoing	Optimisation and expansion of solar PV across the Council's non-domestic, non-commercial estate to supply green energy by direct wire; delivering a financial and carbon saving and protecting against future carbon tax liability.	<ul style="list-style-type: none"> • Increase in installed generation capacity • Reduced electricity costs for service users • Reduction in Council CO2 emissions 	CCET to progress and procure a programme of works	Contractors appointed on a framework. Projects to be programmed	Ongoing Capital investment	
10.0	Integration of Net Zero into HIP Projects	CCET Manager	Approach and governance model to be approved Q4, 2025/26	<ul style="list-style-type: none"> • Net Zero and sustainability principles embedded across all Community PODs from design through operation. • Governance and corporate approach established to ensure consistent application across the programme. 	<ul style="list-style-type: none"> • Net Zero and sustainability components (including Whole Life Carbon, Energy, Adaptation, Circularity, Water, Biodiversity, Travel) integrated into PODs design and delivery. • Carbon Gateway Reviews completed at all key stages; Whole Life Carbon targets achieved. • Governance model and corporate approach approved and applied across all Community POD projects. 	Workshops to be set up	Continuiuos workshops to develop the Councils expectations	Part of HIP capital programme	