

The Highland Council

Agenda Item	14
Report No	ECI/11/26

Committee: Economy and Infrastructure

Date: 12 February 2026

Report Title: Delivery Plan Budget Monitoring and Progress Update Q3 2025/26 – Reconfiguring our Asset Base; Net Zero, Energy, Investment & Innovation

Report By: Assistant Chief Executive - Place

1 Purpose/Executive Summary

1.1 The Highland Council's Delivery Plan 2024-2027 is structured around a portfolio management approach, managed through 6 Portfolio Boards. Each project is reported to a relevant Committee for consideration and scrutiny in terms of the Portfolio Reporting Cycle agreed at Council on 15 May 2025. Exceptions to this general rule may apply when for example circumstances merit a standalone project/programme report to either committee or council. If exceptions apply this report will signpost to where the relevant reporting can be found.

1.2 This report provides financial, performance, risk and general information on the following Delivery Plan projects/Programme:-

Reconfiguring our Asset Base

- In-House Bus Service

Net Zero, Energy, Investment & Innovation (NZEII) Portfolio

- Investment & Innovation – Utility Scale Solar;
- Investment & Innovation – Solar PV Commercial Estate; and
- Investment & Innovation – Investment Pipeline

1.3 The content and structure of the report is intended to:-

- assist Member scrutiny and performance management
- inform decision making and aid continuous improvement; and
- provide transparency and accessibility

2 Recommendations

2.1 The Committee is asked to:-

- i. **Note** the progress provided in the Utility Scale Solar PV Programme and Project for updates in this report;
- ii. **Approve** the closure of the Solar PV Commercial Estate project as recommended by the Net Zero Portfolio Board; and
- iii. **Note** the progress on delivering an Investment Pipeline in compliance with the Council Delivery Plan 2024-2027.

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 Reconfiguring our Asset Base - Highland Investment Plan: In-House Bus Service

5.1 Overall RAG



The overall rag status of the programme is green as the in-house bus service continues to operate as business as usual.

This In-House Bus Service is subject to a separate report to this same Committee, please refer to Agenda Item No.12.

6 Net Zero, Energy, Investment & Innovation (NZEII) Portfolio, Investment & Innovation: Utility Scale Solar

6.1 Since the previous reporting schedule for the Utility Scale Solar PV – Longman Landfill Project and following the Economy and Infrastructure Committee approval in October 2025 to progress Tain North and Tain South Utility Scale Solar PV arrays from the Investment Pipeline Workstream to formal Net Zero, Energy, Investment & Innovation Projects; the Utility Scale Solar PV Project has been elevated to 'Programme' status, with the current three proposed Solar PV arrays (Longman Landfill, Tain North & Tain South) forming 'Projects' subservient to it.

To ensure consistent reporting across the Utility Scale Solar PV Programme, a standardised set of Key Milestone & Measures of Success have been adopted for each of the Projects. The Financial Expenditure & Income Generating targets have also been reviewed and remodelled to reflect the new structure and will be reported at Programme level.

The PRMS dashboard has been redesigned, and the extracts below reflect the new dashboard and reporting matrix when it is fully implemented.

6.2 Overall Programme & Project RAG Status

Overall RAG

The Utility Scale Solar PV (USS) Programme and all three Projects are currently (for month 8) RAG rated as **GREEN**.

6.3 Key Milestones

A set of standard Key Milestones have been developed which will fit across all USS Projects and these have recently been populated within PRMS and have been RAG rated as follows:-

	Longman Landfill Array		Tain North Array		Tain South Array	
OBC Approved	Starts Dec 2025 / Completes Mar 2026	G	Starts Aug 2025 / Completes Oct 2026	C	Starts Dec 2025 / Completes Mar 2026	G
FBC Approved	Starts June 2026 / Completes Sep 2026		Starts June 2026 / Completes Sep 2026		Starts Aug 2026 / Completes Dec 2026	
Planning Approval obtained	Starts Nov 2025 / Completes June 2026	G	Starts Oct 2026 / Completes April 2027		Starts Jan 2027 / Completes July 2027	
Common Good Approval	Starts Nov 2025 / Completes Aug 2026	G	Starts Nov 2025 / Completes May 2026	G	Starts Nov 2025 / Completes May 2026	G
Tender Issued	Starts Nov 2025 / Completes July 2026	G	Starts Feb 2026 / Completes June 2026		Starts July 2026 / Completes Oct 2026	
Final Investment Decision / Project Secured Funding	Starts Jan 2026 / Completes May 2026		Starts June 2026 / Completes Oct 2026		Starts Aug 2026 / Completes Dec 2026	
Contract Award	Starts Sept 2026 / Completes Oct 2026		Starts June 2026 / Completes Oct 2026		Starts Dec 2026 / Completes Jan 2027	
Construction Commences	Starts Oct 2026 / Completes June 2027		Starts April 2027 / Completes May 2027		Starts July 2027 / Completes Sept 2027	
Grid Connection Offer acceptance / PPA Signed	Starts June 2026 / Completes Oct 2027		Starts June 2026 / Completes April 2027		Starts Jan 2027 / Completes July 2027	
Commencement of Generation via Grid Export or PPA	Starts Oct 2027 / Completes Nov 2027		Starts June 2027 / Completes Aug 2027		Starts Nov 2027 / Completes Jan 2028	
Project Closure / Business as Usual (BAU)	Starts Nov 2027 / Completes Mar 2028		Starts Aug 2027 / Completes Nov 2027		Starts Jan 2028 / Completes May 2028	

(G = Green / C = Complete)

These Key Milestones are different from the original Key Milestones developed when the Utility Scale Solar PV - Longman Landfill was created; however, the above Key Milestones have been developed to better reflect the Key Milestones, needed to deliver these types of Projects. The changes to the Key Milestones were agreed by the Net Zero Portfolio Board in October 2025.

6.4 Measures of Success

As part of the project redesign, a set of standard Measures of Success have been developed which will fit across all USS Projects and these have recently been populated within PRMS and are as follows:-

Deliver on site Biodiversity Net Gain
Generate Income from the sale of electricity (£)
Generate Renewable Electricity (KWh/MWh)

As each of the Projects are still at an early stage of development, all Measures of Success have yet to be delivered.

6.5 Financial Summary

- i) Investment & Income:-
 The Financial Indicator for Utility Scale Solar PV – Longman Landfill Project for Financial Year (FY) 2025/26 was set at £420,000. This figure was developed to cover all costs associated with the feasibility, site assessment, design and consenting work for the Longman Landfill Project. The construction costs are to be subject to separate reporting as per the Council Delivery Plan 2024-2027. To date (Month 8), just over £89,000 has been spent, leaving £331,000 for the remainder of the FY.

As this Financial Investment figure was developed purely for the Utility Scale Solar PV – Longman Landfill Project, its relevance was reviewed as part of the redesign and the October Portfolio Board agreed that the Financial Indicator would sit at ‘Programme’ level and would be used to cover all three USS Projects. For FY 2025/26 the £420,000 was considered sufficient to cover all three USS Projects due to costs saving achieved across the year in relation to the anticipated spend for Utility Scale Solar PV – Longman Landfill Project.

The [Council Delivery Plan 2024-2027](#) originally set a target of £2.6m income by 2026, this income was reprofiled in agreement with the Portfolio Board and has been pushed out to FY 2027/28 to allow time to build out the USS arrays.

	Utility Scale Solar PV: Investment: EGF	£ 420,000
Utility Scale Solar PV: Solar Array operational and generating 9,800MWh per annum – commencing during FY2027/28		

- ii) Mitigations:-
 No mitigations needed or proposed due to cost savings saved across the year.

6.6 Key Risks

The following Key Risks have been identified and monitored for the Programme:-

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
Utility Scale Solar PV: Build Costs Above Expectations/Budget	9	Tolerate
Utility Scale Solar PV: Revenue Return Not Achieved	12	Tolerate
Utility Scale Solar PV: Project delivery delay	15	Tolerate

6.7 Forward Plan

Work is underway to identify additional USS sites across the Council area, and these will be brought forward in future updates.

7 Solar PV Commercial Estate

7.1 Overall Programme & Project RAG Status

The Solar PV Commercial Estate project is currently RAG rated as **RED**.

7.2 Key Milestones

Key Milestones as identified within the Delivery Plan are:-

PIN Review	Ends 07/24	C
FBC Proposal approved	Ends 09/24	C
Tender Process begins	Ends 09/24	NSP
Phase 1 Installation: work with the PPA partner to establish the most economically viable roll out model	Ends 03/25	NSP

(C = Complete, NSP = No significant Progress)

PIN Review completed in Month 12 of 2024/25, after initial Request for Information (RFI) in November 2024 and Secondary Market Consultation in February 2025.

FBC Proposal was listed as approved, as the business case relates to the project manager post to enable the project to move forward.

The remaining milestones are listed as no significant progress due to the decision to close the project after significant market consultation and research.

7.3 Measures of Success

Measures of Success as detailed in the Delivery Plan are:-

- appointment of PPA Partner;
- increase in tenant uptake of Solar PV proposals offered by the Council; and
- generation achieving 984,000kWh per MW installed

Generation achieving 984,000kWh per MW installed was initially based upon land that the Council owns, rather than commercial buildings. During site analysis, the Council owns a lot less buildings than sites, and therefore this figure would need to be revised if the project continued.

The appointment of a PPA partner is reliant on several factors as detailed in the project summary within **Appendix 1**.

7.4 Financial Summary

- i. Investment & Income:-
The initial investment for Solar PV Commercial Estate for Financial Year 2025/26 was set at £63,000. This figure was developed to cover resource costs associated with the procurement of a Power Purchase Agreement (PPA) Partner, and establishing the feasibility of commercial buildings in the Council's estate. The project's closure report was completed for November's Net Zero Portfolio Board; therefore costs associated with the project are only applicable from Month 1-Month 7 of the financial year, totalling £36,828.52.

The [Council Delivery Plan 2024-2027](#) originally set a target of £500,000 income by end of FY 2026/27. This income is to be reprofiled in agreement with the Portfolio Board.

- ii. Mitigations:-
No mitigations needed or proposed due to cost savings saved across the year.

7.5 Key Risks

The following Key Risks were identified within the Delivery Plan and monitored for the duration of the project:-

Risks identified within the Delivery Plan were:-

- Low ROI due to Market Price Fluctuation; and
- Low ROI due to scheme management costs

An additional risk is noted within PRMS:-

- Poor uptake by commercial partners

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
Solar PV Commercial Estate: Poor uptake by commercial partners	8	Tolerate

This risk is directly linked to both risks detailed within the Delivery Plan. The risk likelihood was increased in M3 of 2025/26 to reflect the market consultation taken place.

7.6 **Forward Plan**

No forward plan due to project closure.

8 **Net Zero, Energy, Investment & Innovation (NZEII) Portfolio, Investment & Innovation: Investment Pipeline**

8.1 **Tranche 2 Candidate Projects**

8.1.1 **Project 1 – Highland Clean Energy Investment Fund**

The Highland Council began work on the Highland Clean Energy Investment Fund (HCEIF) in summer 2025, to understand the potential of investment within the Highlands through renewable energy developments. HCEIF is a project being undertaken by the Climate Change and Energy team, with the aim to ensure consistent and fair financial returns are delivered from renewable energy developers, whilst reinvesting a share of those returns into the region's social and economic priorities. To help understand the full potential, Baringa and Addleshaw Goddard were appointed as consultants to advise how the fund could be developed and what model this could follow. It is expected that the first phase of this work will conclude in January 2026, with potential extension for an additional phase.

The first strategy draft has been received from Baringa, outlining the potential within the Highlands and confirming how the fund could work. Addleshaw Goddard are now reviewing this to provide options on how governance would be developed, investments and tax structures of the fund.

Throughout the above work, the Investment and Innovation team have conducted meetings with various stakeholders to ensure perspectives from all groups are considered. The Council views engagement with stakeholders as a key component of the fund progressing, to enable the region to benefit from the full potential in both financial and socio-economic value.

8.1.2 **Project 2 – Kinlochbervie**

Kinlochbervie, a remote fishing and crofting village located on the north-west coast of Scotland, is recognised as one of the country's most northerly ports, with a population of approximately 400 residents dispersed across the village and nearby settlements. Despite its small population, Kinlochbervie maintains a range of essential community services and facilities.

There is a unique opportunity for the Investment Pipeline project in Kinlochbervie as two major projects are taking place simultaneously. Firstly, is the 'Kinlochbervie Renewable Energy Project' being developed by Galileo Empower, which plans to deliver 100MW of renewable energy (combination of wind, BESS, Solar PV). Secondly, the Highland Council is developing a strategic masterplan for Kinlochbervie, in alignment with the Strategic Asset Management Project (SAMP) board's objectives. The masterplan has identified several large-scale renewable energy opportunities – particularly around onshore and offshore wind.

The Investment Pipeline project has initiated conversations with Galileo Empower, THC's Property department and Kinlochbervie estate owner to establish the states of the projects mentioned. Further discussions will be held to identify gaps and opportunities in a collaborative manner.

8.1.3 **Project 3 – Wind Turbine**

The Investment and Innovation Team are at the preliminary stage of considering the installation of wind turbines up to a maximum output of 200kW on the Ardachu Recycling Centre, Brora. The site lies just 200m south of Brora SSE Grid Supply Point, with the 33kV overhead line running along the centre eastern boundary, thus making export relatively feasible; early discussion with SSE are due to take place shortly in this regard. The recycling centre is also away from residential properties and is not subject to any Environmental, Urban or Woodland Designations which would preclude development.

8.1.4 **Project 4 – Depot Charging Scheme**

The Depot Charging Scheme is organised by the Department of Transport. The Scheme aims to support the uptake of zero emission HGVs, vans, and coaches by part-funding the installation of charging infrastructure at fleet depots. THC's Portree and Wick depots have been identified as potential sites to develop HGV charging infrastructure. The scheme covers 75% of eligible costs (ChargePoint, civil works, and where applicable - battery energy storage system or solar costs) incurred, up to a maximum of £1m per organisation across all sites. Through collaboration with THC's Fleet team, a full application is to be submitted 16 January 2026.

8.1.5 **Project 5 – Solar PV Opportunities**

Additional Solar PV opportunities have been identified at Inverness West Bank and Torvean Former Quarry. Preliminary studies are being undertaken to identify the generation potential for both of these sites.

Sites identified within the Highland Investment Plan are also being assessed for Solar PV opportunities.

8.1.6 **Project 6 – Green Energy Efficiency**

An opportunity has been identified through USave that has the potential to make council assets more energy efficient by implementing strategies and measures. Further discussion is being held to explore these measures from two perspectives: at project-level and from a holistic view as a council. Work is being undertaken to develop a PPA model that will maximise profits for the council.

8.1.7 **Project 7 - Forestry and Land Scotland – Repowering turbines**

A pilot scheme was announced by the Scottish Government on 27 October 2025 whereby community groups, from South Lanarkshire to the Highlands, will be given the chance to lease one of 10 publicly owned Forestry Land and Scotland (FLS) sites with windfarms as they approach repowering.

The Investment Pipeline Project is exploring the opportunity to coordinate a community-led investment group to fully utilise the 60MW total capacity of wind farms that have been identified in Highland.

8.2 The Investment Pipeline Project is exploring the opportunity to coordinate a community-led investment group to fully utilise the 60MW total capacity of wind farms that have been identified in Highland.

8.3 **Overall Programme & Project RAG Status**

Project: Investment Pipeline

R	●
A	●
G	●
C	●

This project has a RAG rating of green.

8.4 **Key Milestones, Measures of Success & Requests for Change**

MILESTONES	CURRENT STATUS
<i>Starts Apr24 / Completes May25</i> Investment Pipeline: New renewables contractor framework	M3 25/26 Completed
<i>Starts Apr24? / Completes Jul24</i> Investment Pipeline: Renewables Investment Manager appointed	M7 24/25 Completed
<i>Starts Aug24 / Completes Feb25</i> Investment Pipeline: Programme and Engagement Plan complete	M12 24/25 Completed
<i>Starts Feb25 / Completes Oct25</i> Investment Pipeline: Tranche one project proposals approved by E&I Committee	M5 25/26 Completed
<i>Starts Oct25 / Completes Apr26</i> Investment Pipeline: Tenders issued	M8 25/26 Completed
<i>Starts Oct25 / Completes Nov26</i> Investment Pipeline: Tranche two project proposals approved by E&I Committee	M9 25/26 On Target

Investment Pipeline: Projected annual revenue generation from Energy Investment projects [reporting starts 2025/26]
Investment Pipeline: Investment and Innovation workstream generating sufficient revenue to cover project development costs [reporting starts 2026/27]
Investment Pipeline: Number of project proposals approved by E&I Committee [reporting starts 2025/26]

8.5 **Financial Summary**

Income: There is a target of £500,000 for 2027/28

Investment Pipeline: Income Yr4 27/28 (Begins 27/28)
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8.6 Key Risks

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
Investment Pipeline: Shortage of Investment Opportunities	3	Treat

Treatment Actions:-

- i. Programme manager to develop working relationship with DNO to facilitate our regional overview of constraints which will allow us to align with SSE reinforcement work; and
- ii. Working with developers across the region, unlocking energy capacity across the region.

Designation: Assistant Chief Executive - Place

Date: 14 January 2026

Author: Debbie Sutton, Chief Officer Operations and Maintenance
 Paul Reid, Chief Officer Facilities and Fleet Management
 Neil Osborne, Climate Change & Energy Team Manager
 Teresa Ratnam, Programme Manager
 Rachael Anderson, Project Manager
 Mathew Hilton, Project Manager
 Sophie Stuart, Portfolio Manager

Background Papers: None

Appendices: Appendix 1 – Solar PV Commercial Estate Closure Report

The Highland Council

Solar PV Commercial Estate

Project Closure Report

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Document Control

Document Details

DOCUMENT		AUTHOR
Ref: Revision: Status:	n/a V1 DRAFT	Rachael Anderson Project Manager – Investment & Innovation Climate Change & Energy
CONTROL DATES		APPROVED BY
Sponsor Review: Review:	DD/MM/YYYY DD/MM/YYYY	<Name> <Title> <Service>

Distribution

NAME	TITLE	SERVICE
Malcolm Macleod	Assistant Chief Executive – Place	Place
Neil Osborne	Climate Change & Energy Manager	Place
Teresa Ratnam	Investment & Innovation Programme Manager	Place
Sophie Stuart	Portfolio Manager	Place

Change History Reference

REVISION	DATE	AUTHOR	CHANGE SUMMARY
0.1	23/10/2025	Rachael Anderson	Initial draft
0.2	06/11/2025	Rachael Anderson	Proposed final draft to Portfolio Board

The following items are referenced in the text or are associated with this document and should be read in conjunction with this document.

REFERENCE	TITLE	REVISION	AUTHOR
 20241120 Solar PV Comm Estate RFI Sub1	Solar PV Comm Estate RFI Submission Summary	1.0	Rachael Anderson / Amy MacCulloch
 20250314 - SMC Summary.docx	Secondary Market Consultation Summary	1.0	Rachael Anderson

Purpose

The purpose of this document is to confirm formal closure of the Solar PV Commercial Estate project. This report provides a summary of the project, with supporting evidence provided throughout and in the Appendix.

On 1st October 2025, the Net Zero Portfolio Board agreed to close the project.

Project Summary

The published activity for Solar PV Commercial Estate within the Delivery Plan is as follows:

Develop a Commercial Power Purchase Agreement (PPA) to generate income from the development of a solar portfolio providing low-cost energy to tenanted properties across our commercial estate underscoring our commitment to sustainability, a resilient council and socio-economic benefits, showcasing environmental responsibility.

Project Elements:

- *Establish initial Generation potential – Min 1MW with Generation Capabilities of 984,000kWh p.a.*
- *Develop PIN notice to test market potential across various levels of partner engagement.*
- *Prepare full business Case, tender for PPA partner/developer.*

In November 2024, a Request for Information (RFI) was published on Public Contracts Scotland to undertake initial market consultation, understanding the current trends and options available to move the project forward. The responses clearly detailed the requirement for additional information to be able to provide an accurate response to the Council's request.

Some data analysis was completed using SSEN's LENZA tool. Properties that were deemed as suitable for solar were exported and cross-referenced with the Council's leased properties. This is a desktop-based study, utilising SSEN data and predictions, but provides an initial project analysis. Leased properties were filtered down only to include those that would be appropriate – i.e. industrial units, offices, or other buildings where the full building was leased rather than just the ground floor of a property. Cross-referencing UPRNs and addresses, c. 200 properties were identified as suitable across the Highlands. Whilst 200 properties could be sufficient to progress with a pilot project, this still required acceptance from tenants, structural and roof surveys, and an understanding of how the project would work in contractual and investment terms.

In February 2025, a Secondary Market Consultation (SMC) was undertaken with the organisations who responded to the initial RFI in November. Out of the 11 organisations who responded, 9 agreed to a 1-hour Teams call to discuss further. These organisations spanned consultants, Solar PV contractors, investment funders and construction companies, providing a wide perspective to enable the Council to move forward with extensive feedback to develop the project.

Throughout these discussions, the organisations were asked a series of questions relating to the collated information received in November. This highlighted the key challenges the Council would face when developing this project, particularly if entering into a PPA for their commercial properties:

- Lease length
- Tenant buy-in and responsibilities
- Additional data required (from both Councils and Tenants)
- PPA contract length

- Legal Arrangements
 - As a minimum, there would be a tri-party arrangement – Council, tenant and commercial party
 - Change of leases
- Volume of sites included within project

The Appendix to this report will include the formal summaries of the RFI and SMC, inclusive of questions and prompts used during the Teams calls.

PRMS updates were completed monthly ahead of the Net Zero Portfolio board, and additional, more detail monthly updates were provided. These can be found in **Error! Reference source not found.**

The Net Zero Portfolio board were aware of the project progress and engaged with any challenges faced.

Estates – Leases

One of the challenges of the project is the length of leases between the Council and commercial tenants. Initial lease agreements are 5-years long and evolve into year-to-year agreements after this period. Termination period is stated as 3-months, however after the 5 years, this changes to 1-month.

This creates a situation where the property would likely be vacant for an uncertain amount of time, preventing arrangement of a value-for-money PPA. Additionally, as the tenant is the party who would sign a PPA, there would be another risk raised as to how the PPA is transferred between parties (tenants & Council). This would also mean the Council must take on the appropriate responsibilities within the PPA.

Another point raised by Estates relates to the upkeep of the Solar PV system. Current leases have full responsibility and liability on the tenants, for all repairs and maintenance. Tenants are required to take care and maintain roofs. An installation of Solar PV would require leases to be changed to include the system and reference who is the responsibility party for ensuring regular maintenance.

Projects Review

Projects Background Overview

Relating back to the project elements, the project would fail on the following:

1. Establish initial Generation Potential – Min 1MW with Generation Capabilities of 984,000kWh p.a.

The min 1MW and 984,000kWh figures were based upon the land which the Council owns, not the buildings. Inverness was used as the initial case study for these figures as the Council owns a large portion of the land within the industrial estates. However, many of these sites are 99-year leases, for which the parties who lease them have built their own buildings. This means that the Council would not be able to impose solar on these buildings, and an additional risk would be added through liability and responsibility if the Council condoned the installation of PV systems, where the building was privately owned. This is replicated across the Highlands.

Following market consultations in November 2024 and March 2025, alternative approaches were proposed by the commercial parties:

Alternative Approaches

Council Investment

Whilst the project in the current state is not feasible to continue, an alternative approach suggested is for the Council to invest in Solar PV systems across the commercial estate:

Council could invest in Solar PV systems across commercial roofs, effectively becoming an energy supply company by selling the generated electricity back to the tenants. The proposal would mean the Council are the lead organisation and would receive the full revenue of generation (after tenant consumption). This could require agreement from tenants but would definitely need clarity on maintenance and repairs of system and roof of building.

1. There could be a follow-on option, where the Council appoint a PPA partner to manage the scheme on behalf of them, however the initial investment would still need to come from the Council.
2. An alternative option could be to utilise when properties become vacant to install solar, to avoid inconvenience for tenants. However, this could take a considerable amount of time to complete full estate, and likely would mean higher install costs than installing solar in one area at a time.

As of writing this report, the Council does not have the capital to fund Solar PV systems across all commercial roofs, and therefore this option has not been explored further.

Edinburgh Solar Co-operative

Edinburgh Solar Co-op has successfully created a programme to install Solar PV systems on public buildings. A public share offer gave the opportunity to the public to become members of the co-operative by purchasing shares, which built the investment needed to install the Solar PV systems. The buildings will use some or all of the electricity generated, any surplus electricity is exported to the grid.

After administration costs, a share interest is paid to members, and any remaining profit is allocated to a community benefit fund.

This approach was not explored further for the Highlands, as it is considerably different to what The Highland Council had set out in the objectives and aims for the Solar PV commercial estate project within the delivery plan. The main difference being that Edinburgh City Council do not receive revenue from this.

Outcomes

The project was tasked with achieving the following outcomes:

Core Delivery Plan Outcome	Enabled by:
Establish initial generation potential – min. 1MW with generation with generation capabilities of 984,000kWh p.a.	This was not achieved due to limited site potential across the commercial estate. This is referenced within the Lessons Learned section.
Develop PIN to test market potential across various levels of partner engagement	This was achieved in November 2024, with a Request for Information (RFI) and in February, with a Secondary Market Consultation (SMC) which enabled engagement with varying organisations, providing a wide basis of understanding of the market trends across installation, funding and investment, and contract management.
Prepare full business case, tender for PPA partner/developer	This was not achieved due to the inability to move forward after the RFI and SMC confirmed that industry would require more information and input from the Council than initially planned.

Achievement of Objectives

All core objectives of the Solar PV Commercial Estate project were achieved, as listed in the below table:

Objectives	Achieved	Comments
Develop PIN to test market potential across various levels of partner engagement	Yes	

Financial Profiles

Within the project, the only spend so far has been staff time. This cost has been reported through PRMS over 2024/25 and 2025/26, and covers the staff cost, inclusive of employer's contribution & NI.

Solar PV Commercial Estate Project Expenditure	Costs (Ex VAT)	One off / Ongoing	Date Spend Approved	Authorising Budget / Payment Stream
Staff Costs (annually)	£63,134.60	Ongoing		Climate Change & Energy – Investment & Innovation
Total:	£63,134.60			

Project Closure

Risk & Issue Management

Risks identified within the Delivery Plan were:

- Low ROI due to Market Price Fluctuation
- Low ROI due to scheme management costs.

An additional risk is noted within PRMS:

- Poor uptake by commercial partners

However, this is directly linked to both risks detailed within the Delivery Plan.

Lessons Learned

This Lessons Learned section is designed to aid future similar projects by giving advice on what went well and what did not go as well as it should have.

It is an analysis of project performance for the Solar PV Commercial Estate Project to facilitate the continuous improvement of Project Management for future projects.

Lesson Learned	Experience	Comments
6.2.1	Neutral	Generation potential should be better defined at Delivery Plan/ strategic level. Definitive buildings should be identified to ensure the generation potential is captured more accurately and market consultation can take place in a more detailed capacity.

6.2.2	Positive	Established good working relationship with Estates to understand leases and legal requirements for installing Solar PV where a lease is already in place. Estates provided significant support and
6.2.3	Positive	Significant market research undertaken, allowing for better understanding of market trends and industry requirements currently.
6.2.4	Positive	Better understanding of the structure and fabric of commercial properties within the Council's estate, and what would be required for specific builds to progress with solar installation.

Project Closure Recommendations

The recommendation is to formally close this project, as previously agreed at the Net Zero Portfolio Board.

Project Closure Report Approvals

Prepared By

Rachael Anderson

Approved By

Approval Date