

The Highland Council

Agenda Item	5ii
Report No	CCC/06/26

Committee: Climate Change

Date: 20 May 2026

Report Title: Net Zero Thematic Group Update – Procurement & Community Wealth Building

Report By: Assistant Chief Executive - Place

1 Purpose/Executive Summary

1.1 This report provides an update on the work of the Procurement and Community Wealth Building Thematic Group, focusing on the need to strengthen the Council's carbon reporting, management and decision-support capability.

It outlines the increasing requirements associated with statutory climate duties, including the need for more robust and comprehensive reporting across Scope 1, 2 and particularly Scope 3 emissions. It highlights current challenges relating to fragmented data, manual processes and limited ability to link emissions data to projects and decision-making.

The report sets out a proposed approach to address these challenges through a managed engagement with Eden Seven, providing a central platform to consolidate carbon data, improve reporting and support forecasting and scenario modelling.

It also notes the role of procurement and the Social Value Charter in supporting emissions reduction and Community Wealth Building outcomes, particularly in relation to supply chain emissions.

Members are asked to agree the proposed approach and note the next steps set out in the report.

2 Recommendations

2.1 Members are asked to:-

- i. **Agree to recommend** to the Council approval of the proposed approach to strengthening the Council's carbon reporting, management and decision-support capability;
- ii. **Agree to recommend** that the Council progresses a 12-month managed engagement with Eden Seven, as set out in Section 6, to support delivery of this approach; and
- iii. **Note** the role of procurement and the Social Value Charter in supporting emissions reduction and Community Wealth Building outcomes, particularly in relation to supply chain (Scope 3) emissions.

3 Implications

- 3.1 **Resource** – Approval of funding will be sought through the appropriate governance routes.
- 3.2 **Legal** - There are no direct legal implications arising from this report. Any contractual arrangements associated with the proposed engagement will be progressed in accordance with the Council's procurement and governance requirements.
- 3.3 **Risk** - There is a risk that, without improved carbon data and reporting capability, the Council is unable to effectively manage emissions, support decision-making or demonstrate progress against statutory climate duties. The proposed approach is intended to reduce this risk through improved data quality, reporting and governance.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** –There are no direct health and safety implications arising from this report.
- 3.5 **Gaelic** -There are no direct Gaelic 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 Strategic need for improved carbon reporting and management

5.1 The Council has statutory duties under the Public Bodies Climate Change Duties (PBCCD) to:-

- measure and report greenhouse gas emissions annually;
- demonstrate how climate change mitigation and adaptation are being embedded in decision-making; and
- evidence progress against Scotland's climate targets.

Emissions reporting under these duties is commonly grouped as follows:-

- **Scope 1:** Direct operational emissions arising from sources owned or controlled by the Council (e.g. boilers, fleet vehicles);
- **Scope 2:** Indirect emissions from purchased energy (e.g. electricity); and
- **Scope 3:** All other indirect emissions across the value chain, including the procurement of goods, works, and services, as well as construction activities.

5.2 The scope, granularity and scrutiny of PBCCD reporting continues to increase, with:-

- expanding expectations around Scope 3 emissions;
- greater emphasis on evidence-based decision making rather than narrative reporting; and
- increasing public, audit and ministerial oversight of reported data.

5.3 A robust and consistent baseline of the Council's carbon emissions is essential to support the development and management of carbon budgets across services. Carbon budgets provide a key mechanism for managing corporate risk associated with emissions-reduction targets, enabling the Council to set realistic service-level expectations, track performance, and intervene early where delivery is off-track. Without a clear baseline and consistent dataset, it is difficult to allocate meaningful carbon budgets, assess cumulative impacts across services, or direct action effectively in line with the Council's long-term sustainability commitments.

5.4 At the same time, the Council is progressing multiple decarbonisation workstreams across buildings, fleet, energy and place-based investment, increasing the need for coherent, forward-looking carbon insight to support prioritisation and investment decisions, rather than retrospective reporting alone. This aligns with the March 2026 Climate Change, Energy and Community Resilience Strategic Paper, which called for a more coordinated, programme-led approach to climate mitigation, energy transition and resilience activity, consistent with improved coordination of evidence, investment planning and delivery across services.

5.5 Officers have identified persistent challenges in:-

- fragmented and disconnected carbon-relevant data across systems;
- reliance on manual data collation and spreadsheets;
- limited ability to link emissions data to projects, forecasts and decision-making; and
- difficulty providing timely, auditable insight to support governance, scrutiny and statutory returns

6 Proposed engagement with Eden Seven

- 6.1 It is proposed that the Council progresses an engagement with Eden Seven to strengthen its carbon reporting, management and decision-support capability. This would involve access to the cero.earth sustainability management platform alongside a managed service to support officers in bringing data together, maintaining data quality and producing clear, usable information to support decision-making.

This would provide a central platform to bring together carbon-related data associated with the Council's operations, assets and supply chain, together with project tracking and forward-looking insight.

In practical terms, it will support the Council to:-

6.1.1 a) Consolidate existing data

- Energy consumption (electricity, gas, fuels)
- Fleet and transport data
- Finance and procurement spend data (for Scope 3)
- Asset lists (buildings, vehicles)
- Existing and proposed carbon-reduction projects

6.1.2 b) Produce auditable dashboards and reports, including:-

- Emissions by Scope 1, 2 and 3
- Emissions by service, asset type or geography
- Statutory PBCCD-aligned reporting outputs
- Baselines and year-on-year comparisons

Emissions data can be analysed and interpreted across the Council's operations, assets and supply chain, enabling a clear understanding of the main sources of emissions within the organisation and supporting the targeting of action where it will have the greatest impact.

Where data quality allows, emissions can be viewed at service and supplier level. This would support constructive engagement with budget holders and suppliers over time, helping to support emissions reduction across the Council's supply chain.

6.1.3 c) Track projects and interventions

Projects can be recorded and associated with:-

- specific assets or services
- expected changes in energy or fuel consumption
- delivery timescales; and
- forecast carbon impact

This allows the Council to understand whether its planned interventions are sufficient to meet future targets.

6.1.4 d) Support forecasting and scenario modelling

A core part of the proposed engagement is to provide forward-looking insight to support decision-making, including:-

- modelling the carbon impact of existing and proposed projects over time
- testing alternative intervention pathways and phasing options, including “do-nothing” scenarios
- associating projects with assets, services and organisational structures to support prioritisation; and
- producing forecast dashboards showing projected emissions trajectories against the Council’s 2030, 2040 and 2045 targets

This capability is intended to inform investment decisions, service planning and budget prioritisation.

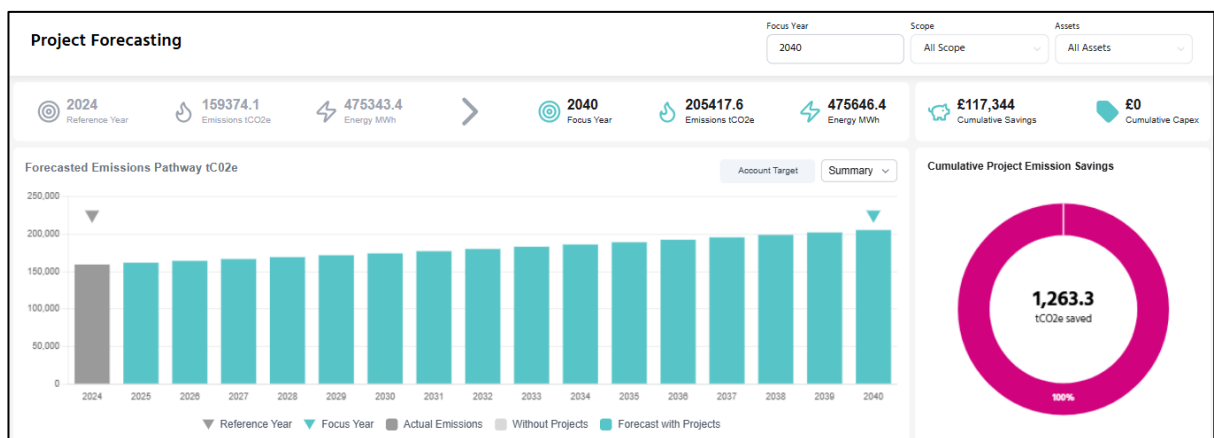


Figure 1 provides an illustrative example of how project information can be used to show the combined impact of multiple projects on future emissions trajectories.

This approach supports the direction set out in the March 2026 Climate Change, Energy and Community Resilience Strategic Paper, which highlighted the need to develop coordinated climate and energy investment pipelines capable of supporting long-term planning, external funding and private investment. The proposed engagement with Eden Seven supports this objective by enabling projects to be tracked, modelled and assessed collectively, rather than in isolation.

6.2 Pilot

From August 2025, officers in the Climate Change & Energy Team and Shared Procurement Service have undertaken exploratory testing to better understand how this approach would work in practice. This has included reviewing and testing how existing emissions and procurement data could be brought together, how reporting outputs could be improved, and the complexity of current supply-chain data.

This work confirmed that it is possible to manage carbon information more effectively but also highlighted that current processes rely heavily on manual effort, and that careful governance and ongoing support are required to avoid placing additional pressures on services.

6.3 Proposed Approach

Drawing on the learning from the pilot, it is proposed that the Council proceeds with a managed engagement over an initial 12-month period. This approach is intended to be proportionate, allowing the Council to build capability, test governance arrangements and make progress while managing risk and resource pressures.

The proposed engagement model includes:-

- access to the cero.earth platform;
- a managed service to support data validation, reporting and insight generation; and
- a defined scope and review point at the end of Year 1 to inform any future decisions.

6.4 Anticipated benefits

Progressing this engagement is expected to deliver:-

- improved accuracy, auditability and efficiency in statutory reporting;
- more robust Scope 1, 2 and initial Scope 3 reporting;
- reduced reliance on manual reporting processes;
- stronger linkage between carbon data, projects and investment decisions;
- improved ability to forecast, model and prioritise interventions; and
- a more credible evidence base to support scrutiny, funding applications and external assurance.

6.5 Key risks and mitigations

The pilot identified several risks that would need to be managed. These have been considered in the proposed approach as follows:-

Risk	Mitigation
Data quality and completeness	Managed service validation; documented assumptions
Supplier Reliance	Break option after 12 months; staged approval
Governance clarity	CCET retains oversight and assurance across data, reporting and use of outputs
System dependencies	Phased implementation aligned to data readiness
Scope creep	Defined scope, outputs and reporting requirements

7 Scottish Climate Intelligence Service (SCIS)

7.1 The Scottish Climate Intelligence Service (SCIS) is a national capacity-building programme jointly funded by Scotland's 32 local authorities and the Scottish Government. It supports local authorities to plan, monitor and communicate climate action consistently across Scotland.

As part of SCIS, the ClimateView platform provides a publicly accessible, area-wide view of emissions and planned actions, supporting transparency and public understanding of progress towards climate targets. SCIS also promotes a consistent evidence base across councils, supporting local decision-making and accountability. At present, Highland Council is in a development phase, working across services to identify and define potential interventions for inclusion within the platform. This work is inherently resource-intensive reinforcing the need for a structured and proportionate approach.

Over time, the proposed approach would support wider collaboration across Council services and partners to identify and prioritise interventions that contribute to emissions reduction at an area-wide level. Using a consistent evidence base, this would support a shared understanding of progress towards long-term climate objectives.

8 Social Value Charter

- 8.1 The Social Value Charter supports alignment between procurement activity and the Council's climate, energy and Community Wealth Building objectives, including the influence of supply chain emissions (Scope 3).
- 8.2 Improved carbon data will strengthen the Council's ability to embed these considerations within procurement and supplier engagement, supporting more informed decision-making.
- 8.3 The Charter also supports a more strategic, place-based approach to delivering local economic benefit from public spend and energy-related investment.
- 8.4 Further work will focus on embedding consistent application across procurement processes and aligning with wider programme delivery.

Designation: Assistant Chief Executive - Place

Date: 20 April 2026

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Background Papers: None

Appendices: None