

Agenda Item	<b>15</b>
Report No	<b>ECI/24/26</b>

## The Highland Council

**Committee:** Economy and Infrastructure

**Date:** 28 May 2026

**Report Title:** Delivery Plan Monitoring & Progress Update – My Highland Future, Reconfiguring our Asset Base and Net Zero, Energy Investment & Innovation - Q4 2025/26

**Report By:** Assistant Chief Executive - Place

### **1 Purpose/Executive Summary**

1.1 The Delivery Plan 2024-27 consists of 57 projects/programmes, 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:-

#### My Highland Future Portfolio

- Employer Engagement & Job Opportunities
- Council Future Workforce

#### Reconfiguring our Asset Base Portfolio

- Roads & Infrastructure Improvements Programme

#### Net Zero, Energy Investment & Innovation Portfolio

- Battery Storage System – former Torvean Quarry
- EV Infrastructure
- Hydrogen Production - Longman

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 Members are asked to **scrutinise** and **note** the Delivery Project updates provided in this report.

## 3 Implications

- 3.1 **Resource** - There are no resource implications arising as a direct result of this report. 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 by exception only in the relevant sections on Risk below for each project and at Section 12 for overall Portfolio Risks.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** - There are no implications arising as a direct result of this report.
- 3.5 **Gaelic** - There are no 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 an update report and therefore an impact assessment is not required.

## 5 Employer Engagement and 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.

The Highland Employer Charter project has now been in operation since 1 June 2025, with the project now completed its second phase and second membership cohort.

The first phase of the project concluded at the end of September 2025, with an initial successful assessment cohort awarded on 7 October. The assessment process was developed after comprehensive research into UK charter's, accreditations and the current UK auditing landscape, with the key outcomes being *the process must be accessible to micro and small businesses for equitability and focus on a people-centric process through communication*. This cohort represented 8 employers across the geographical spread of the Highland region, and across Construction, Engineering, and Tourism, who were all clear supporters of innovation and good employment practices in Highland.

The second phase of the project began at the start of November 2025, after a period of reflection and iteration on the first phase. Key feedback from the first cohort was *"the charter has supported businesses developing a foundation towards more rigorous accreditations such as IIP, by collaboratively in-graining good practice with a supportive portfolio of evidence developed to validate chartership."* Connected to this phase of work, a second chartership cohort was onboarded, which supported Highland employers across sectors including; Construction, Engineering, Legal, Tourism, Creative Arts, and the Third Sector, with a greater focus on supporting equitable access to the charter across business sizes (micro to large).

Additionally, between September and March 2025, the Highland Employer Charter supported 8 regional events to engage local employers and drive public interest in the charter, including the Inverness Spotlight Summit, Focus North Conference, Inverness Loch Ness Tourism Showcase, and was the key sponsor of the Workforce North Call to Action event.

As of 1 April 2026, the charter now has 21 fully awarded member organisations from across all business sizes, critical skill sectors, the third sector, and Highland geographical locales, supporting widespread regional business confidence in the initiative.

The development of a Highland Employer Charter centric digital platform has also concluded, with a new public facing site now [available](#). This site hosts a public record of membership and associated levels, job board for vacancies from charter members, links to knowledge exchange opportunities, charter materials, events, news, and support for a public reporting function to support confidence in the membership's fair work and fair pay credentials.

Interest in the charter continues to grow with the third phase of the project now in operation, which is focused on accelerating membership growth with the support of the digital platform. It will also focus on supporting rural employers from the western Highland regions (Lochaber, Skye, Wester Ross) being recognised through the charter.

Other achievements in the project include:-

- Initiative was subject of a congratulatory early day motion in the UK Houses of Parliament (27 October);
- Highland Employer Charter was featured in local print media (Inverness Courier, Press and Journal, Ross-Shire Herald) and by the North Highland Chamber of Commerce; and
- Speed of progress (10 months) from initial development to third phase with over 10 supported events and over 20 fully chartered organisations, has been praised by fellow public sector organisations in the UK, and been highlighted for its use of an innovation project framework -*InnovateUK's Innovation Canvas*- to drive R&D and growth, within a public sector project.

The project was funded through a £50k grant from the UK Shared Prosperity Fund which was granted for 15 months from project start (June 2025). Costs and procurement for the financial year 2025/26 were submitted to UKSPF on 30 March 2026 and have been accepted by UKSPF for recharge to the My Highland Future budget (main budget and cost centre for charter project).

Overall, the budget is very healthy as of April 2026, with care given to high impact engagement and supporting business marketing through conferences and networking events. The charter budget stands at 65% utilised (including costs for web development, event hosting, and media) with a 35% surplus for the remaining 5 months of UKSPF support. The remaining fund will be used to support transport, charter event costs, conferences, and marketing through supporting social value engagement – such as a £3k allowance to support the Highland Youth Parliament Summit in September 2026 which will be branded with the Highland Employer Charter as the main sponsor.

Forecasting for the future of the project; the charter is currently in a period of transition to business as usual, with the initiative being moved from the My Highland Future portfolio in the People cluster to Economy and Regeneration in the Place cluster. The Employer Charter and Skills boards will see forward delivery and expansion through the appointment of a Project Manager, Assistant Project Manager and General Assistant roles, which will go through the role creation process with the support of HR and the aim of being filled by the end of June.

The Construction Sector skills board is currently being developed with the onboarding of key construction organisations in the region across Tier 1s and regional SMEs. A terms of reference was developed in October 2025 to support this development with the help of key HIP supporter Hub North who have agreed to support the skills board project through administration, however to support wider equitability across the Highland business community and support other procurement frameworks -alongside work to integrate links to HiREP and the rolling nature of chairing the board among partners- this terms of reference is currently going through an additional revision which will require CEX authorisation before the board can formally meet.

Health and Social Care Skills Board and Clean Energy Skills Board will be the next sectors to follow.

## 5.2 Key Milestones & Requests for Change

<b>MILESTONES</b>		<b>CURRENT STATUS</b>
<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	<b>M8 25/26 Completed</b>
<i>Starts Jun 25 / Completes Sep 25</i>	Employer Engagement & Job Opps: WP2a Highland Employer Charter – complete pilot phase, leading to official launch	<b>M7 25/26 Completed</b>
<i>Starts Aug 25 / Completes Oct 25</i>	Employer Engagement & Job Opps: WP1a Map and engage with current relevant skillsgroups	<b>M12 25/26 Some Slippage</b>
<i>Starts Jul 25/ Completes Dec 25</i>	Employer Engagement & Job Opps: WP3 Continue to connect with HEP to support WLHB communication	<b>M9 25/26 Completed</b>
<i>Starts Jul 25/ Completes Dec 25</i>	Employer Engagement & Job Opps: WP4a Workforce North – Contribute to mapping regional Workforce demand	<b>M11 25/26 Completed</b>
<i>Starts Jul 25/ Completes Dec 25</i>	Employer Engagement & Job Opps: WP4b Workforce North – Contribute to mapping delivery vehicles for skill	<b>M11 25/26 Completed</b>
<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	<b>M12 25/26 Some Slippage</b>
<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	<b>M12 25/26 Some Slippage</b>
<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	<b>M12 25/26 Some Slippage</b>
<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)	<b>M12 25/26 Some Slippage</b>
<i>Starts Mar27 / Completes Mar27</i>	Employer Engagement & Job Opps: Project Closure and transfer to BAU	

## 5.3 Financial Summary

There are no Delivery Plan financial elements directly associated with this project.

## 5.4 Key Risks

<b>KEY RISKS ASSESSED / RESPONSE</b>	<b>CURRENT RISK RATING</b>	<b>RESPONSE</b>
Employer Engagement and Job Opps: Highland Employer Charter	<b>2</b>	<b>Tolerate</b>
Employer Engagement and Job Opps: Industry Engagement	<b>12</b>	<b>Treat</b>
Employer Engagement and Job Opps: Work Life Highland Brand	<b>6</b>	<b>Tolerate</b>

## 5.5 Forward Plan

Plans for the remainder of 2026 include supporting the Highland Youth Parliament Summit with £3k to support venue hire, catering, and transport costs, in exchange for the key position as main sponsor, alongside support for events such as Focus North Summit, Inverness Spotlight Event, Highland Community Planning Partnership Conference, 2026 Workforce North Summit, and various Highland Employer Charter roundtables, award events and summits.

The next cohort for the charter will start onboarding from June 2026. With the widespread business confidence in the initiative, it being a strong foundation towards IIP and ISO9001 aspirations, and the positivity it has brought to local investment in the Highland workforce, business uptake in future cohorts is forecast to be in excess of 15 businesses per quarterly cohort with potential to scale up further.

Overall, the initiative has been highly successful and is now positioned as a critical engagement method to support good practice with employers, and to engage with Tier 1s, SMEs, and 3<sup>rd</sup> Sector.

## 6 **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; and
  - 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 & Requests for Change

<b>MILESTONES</b>		<b>CURRENT STATUS</b>
<i>Starts Apr25 / Completes Aug25</i>	Council Future Workforce: WP3b: Deliver pilot senior phase school pupils paid summer placements in THC	<b>M5 25/26 Completed</b>
<i>Starts Jul25 / Completes Sep25</i>	Council Future Workforce: WP1a: Analysis - Recruitment TalentLink data	<b>M6 25/26 Completed</b>
<i>Starts Sep25 / Completes Jan26</i>	Council Future Workforce: WP2a: Policy updates – deliver action plan to embed strategies	<b>M10 25/26 Completed</b>
<i>Starts Sep25 / Completes Jan26</i>	Council Future Workforce: WP4a: Co-ordinate/design collective cross-Council approach to promotional recruitment activities	<b>M9 25/26 Completed</b>
<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	<b>M9 25/26 Completed</b>
<i>Starts Sep25 / Completes Jan26</i>	Council Future Workforce: WP2d: Develop toolkit for hosting a work placement/intern/work experience opportunity	<b>M10 25/26 Completed</b>
<i>Starts Sep25 / Completes Feb26</i>	Council Future Workforce: WP3c: Review and grow senior phase school pupils paid summer placements in THC	<b>M11 25/26 Completed</b>
<i>Starts Aug25 / Completes Mar26</i>	Council Future Workforce: WP2b: Recruitment – review, identify and action areas of improvement	<b>M10 25/26 Completed</b>
<i>Starts Feb26 / Completes May26</i>	Council Future Workforce: WP1b: Work with schools/Social work to understand related business intelligence	<b>M12 25/26 On Target</b>
<i>Starts Sep25 / Completes Jun26</i>	Council Future Workforce: WP3a: Work with Highland schools to develop pathways into the Highland Council	<b>M12 25/26 On Target</b>
<i>Starts Jan26 / Completes Jun26</i>	Council Future Workforce: WP1c: Work with HR Data team to triangulate data	<b>M12 25/26 On Target</b>
<i>Starts Jan26 / Completes Oct26</i>	Council Future Workforce: WP2c: Inductions – review, identify and action areas of improvement	<b>M12 25/26 On Target</b>
<i>Starts Mar27 / Completes Mar27</i>	Council Future Workforce: Project Closure and transfer to BAU	

6.3 Financial Summary

There are no Delivery Plan financial elements directly associated with this project.

6.4 Key Risks

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

## 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 **Roads & Infrastructure Improvements Programme**

7.1

<b>Project: Roads and Infrastructure Improvements Programme</b>	R	○
	A	○
	G	●
	C	○

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.

## 7.2 Key Milestones & Requests for Change

### Roads

<i>Starts April 24; Completes May 24</i>	Road and Trans. Prog: Strategy & Plans approved	<b>M2 24/25 Completed</b>
<i>Starts/Completes Mar25</i>	Road and Trans. Prog: Deliver capital projects in line with HIP 2024/25	<b>M12 24/25 Completed</b>
<i>Starts Apr25 / Completes Mar26</i>	Road and Trans. Prog: Delivery of Highland Council's Annual Active Travel Capital allocation	<b>M11 25/26 On Target</b>
<i>Starts Apr 25 / Completes Mar 26</i>	Road and Trans. Prog: Deliver capital projects in line with HIP 2025/26	<b>M12 25/26 On Target</b>
<i>Starts/Completes Mar27</i>	Road and Trans. Prog: Deliver capital projects in line with HIP 2026/27	

### Roads Improvement

<i>Starts Aug25 / Completes Nov25</i>	Roads Improvement - TTRO Software: Software Development	<b>M8 25/26 Completed</b>
<i>Starts Jul25 / Completes Oct25</i>	Roads Improvement - AI Cameras: Market research	<b>M7 25/26 Completed</b>
<i>Starts Nov25 / Completes Dec25</i>	Roads Improvement - AI Cameras: Business Case Development	<b>M9 25/26 Completed</b>
<i>Starts Sep25 / Completes Dec25</i>	Roads Improvement - Route Optimisation: Market research	<b>M10 25/26 Completed</b>
<i>Starts Nov25 / Completes Feb26</i>	Roads Improvement - Job Card Digitisation: Discovery/Scoping. Internal engagement/workshops	<b>M11 25/26 On Target</b>
<i>Starts Dec25 / Completes Feb26</i>	Roads Improvement - Route Optimisation: Business Case Development	<b>M11 25/26 On Target</b>
<i>Starts Feb26 / Completes ?</i>	Roads Improvement - AI Cameras: Business Case submission to SMT Team	<b>M11 25/26 On Target</b>
<i>Starts Mar26 / Completes May26</i>	Roads Improvement - AI Cameras: Demos and Full Spec Completion	<b>M11 25/26</b>
<i>Starts Feb26 / Completes ?</i>	Roads Improvement - Route Optimisation: Business Case submission to SMT Team	<b>M11 25/26 On Target</b>
<i>Starts Apr26 / Completes Jun26</i>	Roads Improvement - Route Optimisation: Demos and Full Spec Completion	<b>M11 25/26</b>
<i>Starts Jun26 / Completes Nov26</i>	Roads Improvement - AI Cameras: Procurement	<b>M11 25/26</b>
<i>Starts Jul26 / Completes Dec26</i>	Roads Improvement - Route Optimisation: Procurement	<b>M11 25/26</b>

## Corran Ferry

<i>Starts Feb 24 / Completes Jun25</i>	Road and Trans. Prog.: Corran Ferry Detail Design	<b>M5 25/26 Completed</b>
<i>Starts Mar24 / Completes Jan25</i>	Road and Trans. Prog.: Corran Ferry Environmental Impact Assessment	<b>M1 25/26 Completed</b>
<i>Starts Jun24 / Completes Jun 25</i>	Road and Trans. Prog.: Corran Ferry Land Acquisition	<b>M12 25/26 On Target</b>
<i>Starts Oct24 / Completes Jun25</i>	Road and Trans. Prog.: Corran Ferry Contract Documentation	<b>M5 25/26 Completed</b>
<i>Starts Jan25 / Completes May25</i>	Road and Trans. Prog.: Corran Ferry Planning Application and Consent	<b>M5 25/26 Completed</b>
<i>Starts Feb 25 / Completes Oct 25</i>	Road and Trans. Prog.: Corran Ferry Marine License Application and Consent	<b>M7 25/26 Completed</b>
<i>Starts Aug 25 / Completes Oct 25</i>	Road and Trans. Prog.: Corran Ferry Tender Period	<b>M7 25/26 Completed</b>
<i>Starts Apr25 / Completes Mar27</i>	Road and Trans. Prog: Delivery of Corran Ferry infrastructure improvements	<b>M12 25/26 On Target</b>
<i>Starts Aug25 / Completes Feb27</i>	Road and Trans. Prog.: Corran Ferry Construction	<b>M12 25/26 On Target</b>
<i>Starts Mar27 / Completes Mar28</i>	Road and Trans. Prog.: Corran Ferry Project Closure	

## Active Travel

<i>Starts/Completes Feb25</i>	Road and Trans. Prog: Local Transport Strategy approved	<b>M11 24/25 Completed</b>
<i>Starts Feb25 / Completes Mar26</i>	Road and Trans. Prog: Wick High Street	<b>M12 25/26 Some Slippage</b>
<i>Starts Apr25 / Completes Mar26</i>	Road and Trans. Prog: Culbokie Active Travel Village	<b>M11 25/26 On Target</b>
<i>Starts Apr25 / Completes Mar26</i>	Road and Trans. Prog: Delivery of Highland Council's Annual Active Travel Capital allocation	<b>M11 25/26 On Target</b>
<i>Starts Dec25 / Completes Feb26</i>	Road and Trans. Prog: Annual Submission of Active Travel Infrastructure Construction and Design applications	<b>M11 25/26 Completed</b>
<i>Starts Mar25 / Completes Mar27</i>	Road and Trans. Prog: Local Transport Strategy Delivery Plan progressed and finalised	<b>M11 25/26 Completed</b>

## Amenities

<i>Starts Jan 26 / Completes Jun 27</i>	Amenities - Asset Management: Provide asset management system for resource management and cost control	<b>M12 25/26 On Target</b>
<i>Starts Nov25 / Completes Mar27</i>	Amenities - Financial Management: Establish service delivery costs and viability of a Corporate budget for routine maintenance	<b>M12 25/26 On Target</b>
<i>Starts Jan26 / Completes Mar27</i>	Amenities - Plant & Resources: Plant and equipment utilisation review	<b>M12 25/26 On Target</b>
<i>Starts Dec25 / Completes Mar27</i>	Amenities - Service Delivery: Resource allocation and workforce planning based on Asset maintained to deliver Output Specification	<b>M12 25/26 On Target</b>
<i>Starts Jan26 / Completes Apr27</i>	Amenities - Grass Cutting: Develop active route management	<b>M12 25/26 On Target</b>
<i>Starts Apr26 / Completes Jul27</i>	Amenities - Performance Management: Develop KPI's based on Output Specification and APSE reporting	

### 7.3 Financial Summary

<b>INVESTMENTS</b>		<b>Current FY forecast</b>
£	Road and Transport Programme: Investment: Capital	£ 21,347,000
£	Investment: Budget 2025-26 - Pressures - Grounds Maintenance - Project Delivery: EMR	£ 100,000

- i) During financial year 2025/26, £18.074m has been expended on the Roads Capital Plan. This figure is subject to change as year-end accounts are finalised.
- ii) Savings  
There are no savings indicators associated with this project.

### 7.4 Key Risks

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

#### Roads

Roads Capital Projects: Impact of operational demands on the delivery of capital projects	<b>6</b>	<b>Treat</b>
Roads Capital Projects: Impact of high inflation	<b>6</b>	<b>Tolerate</b>

#### Roads Improvement

Roads Improvement - AI Cameras: Technology does not cover all aspects of inspections, and accuracy could initially be low	<b>9</b>	<b>Treat</b>
Roads Improvement - AI Cameras: More defects highlighted than can be fixed in policy windows	<b>9</b>	<b>Treat</b>
Roads Improvement - AI Cameras: Increase in defect detection not matched by current resource available to deal with defects	<b>9</b>	<b>Treat</b>

#### Corran Ferry

Road and Trans. Prog: Corran Ferry Delay in Planning and Marine licenses	<b>0</b>	<b>closed</b>
Road and Trans. Prog: Corran Ferry Delays in Infrastructure Upgrades for Electric Vessel	<b>9</b>	<b>Tolerate</b>

#### Active travel

Roads Capital Projects: Impact of high inflation	<b>6</b>	<b>Tolerate</b>
Road Safety & Active Travel: Reduction in External Funding Streams	<b>6</b>	<b>Tolerate</b>

## Amenities

Amenities: Corporate budget not approved or insufficient	9	Treat
Amenities: costs and technical solutions available may stretch current service budget	9	Treat
Amenities: Risk that this cannot be developed and delivered in time for the 2026 season	6	Treat
Amenities: Risk that this will impact on the 5-year lease hire & maintenance contract with Fairways	6	Treat
Amenities: service delivery and costs cannot be appropriately identified and managed in advance.	6	Treat
Amenities: time constraints may impinge on engagement with stakeholders	12	Treat

## 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:** Go live is expected in May 2026.

**Temporary Traffic Regulation Order Software:** A soft launch was implemented at the end of 2025, with full go live expected in June 2026.

**Traffic Regulation Order Software:** Currently in active development with expected completion by May 2026. Soft launch expected in June 2026.

**Road Defect Monitoring:** Business case has now been approved. Next steps are to complete the specification to inform the procurement process and engage with relevant services such as ICT.

**Route Optimisation:** Business case has now been approved. Next steps are to complete the specification to inform the procurement process and engage with relevant services such as ICT.

**Job Card Digitisation:** Scoping completed. Next steps are to engage with relevant services such as ICT and a pilot is to be developed to test functionality.

## Active Travel

With funding from Transport Scotland's Active Travel Infrastructure Fund, three significant projects are almost complete: Culbokie Active Travel Village, Wick High Street and Muir of Ord/Chapelton to Home Farm.

**Culbokie:** Project involves widening and resurfacing of existing footways and construction of new sections, along with crossing improvements and new crossings. Also included are improvements to the public spaces at the school, at the green space in the middle of the village, at the old village pump and at the shop.

**Wick:** Delivering improvements to the commercial and retail centre of the town to create a more welcoming and attractive space and to make it safer to walk, wheel and cycle. This includes widening the footways on Bridge Street, creating raised pedestrian crossings and making alterations to traffic signals and road layouts. The High Street and Market Place are being repaved with high-quality slabs; the project also includes upgrades of street furniture, signage and planting in the High Street pedestrian zone.

**Muir of Ord:** Chapelton to Home Farm path construction fills in a missing link between the edge of the village and the Home Farm minor road, which is popular for walking and cycling and connects to other local paths. The new verge-side path offers a safe, accessible and attractive option.

### **ATIF Tier 1 funding**

25/26 saw the delivery of delivery of over 20 wide ranging active travel infrastructure projects round the Council Area.

### **Bikeability Scotland**

The Council achieved our target of 40% of Highland primary schools delivering Bikeability Level 2 on road sessions during academic year 2024-25, delivery rates suggest we will also meet our target of 50% delivery in this current academic year, 2025-26.

### **Play on Pedals**

This is a training programme that supports and develops the cycling skills of nursery-aged children. Coordination of this initiative has been taken on by The Road Safety Team from Education.

### **Behaviour Change Officers**

In 2025/26 the Local Authority Direct Award and HITRANS funded 4 Behaviour Change Officer (BCO) posts within the Road Safety Team. The BCO's have covered a wide range of work including: Bikeability Delivery, Play on Pedals, Junior Road Safety Officer Scheme, Go For It Scheme, Road User Awareness Training, partnership working and much more.

### **Road Safety Improvement Fund**

The Road Safety Improvement Fund (RSIF) is a key Scottish Government grant fund provided to Local Authorities to deliver schemes to enhance safety across the local road network. The funding is for specific use on targeted casualty reduction schemes. Highland Council's RSIF 2026/27 Programme delivered improvement works in over 20 different location across the Highland Area.

## 8 Battery Storage System – former Torvean Quarry

8.1

### Project: Battery Storage System - former Torvean Quarry



#### Project Status: Red

This project is red because the projected timeline has slipped. The Project Team is currently awaiting formal notification from NESO to determine the projects position following Grid Connection Reform. Consideration is currently being given to alternative renewable energy options suitable for the site.

#### Project current position:

In developing the project, the Project Team created a Heads of Terms document and published a procurement exercise on Public Contract Scotland. While evaluation of tender responses was on-going, the Project Team received notification that the NESO Connections Reform Gate 2 to Whole Queue process resulted in the Torvean BESS Facility project receiving a Gate 1 offer.

The Project Team awaits formal notification; however, the expected outcome is the distribution connection offer will be amended to a date later than October 2027. Early discussion suggests battery energy storage technology was more than two times oversubscribed across the UK and no projects without additional protections, such as planning permission, received Gate 2 offers.

## 8.2 Key Milestones & Requests for Change

The following milestones are set up in PRMS for this project:-

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	M9 25/26 Some Slippage
<i>Starts / Completes Nov 25</i>	Battery Storage: Site lease commenced; lease payments received	M9 25/26 Some Slippage
<i>Starts Aug25 / Completes Aug26</i>	Battery Storage: Facility construction to commissioned and operational	M9 25/26 Some Slippage
<i>Starts / Completes Aug26</i>	Battery Storage: Revenue share received	
<i>Starts Aug 25 / Completes Aug 26</i>	Battery Storage: Closure Milestone	M9 25/26 Some Slippage

Milestones updates for this project have been paused while the Project Team explore alternative options for the site.

### 8.3 Financial Summary

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

As of Month 12 (FY 2025/26) £128,739 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 The Highland Council are due a partial refund from SSEN. The final figure and timeline for refund is currently unconfirmed as formal notification from NESO remains pending.

- 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.

### 8.4 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.

## 8.5 Forward Plan

The site is considered strategically important to Highland Council due to its proximity to key local energy users and its potential to host co-located energy generation and offtake. The brownfield land is currently underutilised and benefits from historic energy infrastructure. These existing assets strengthen the case for continued energy-related development at the site, despite the closure of the current project.

The revised project scope is currently being developed by the Climate Change and Energy Team. Options for this site include ground-mounted solar PV panels that operate to support local council assets, with a primary objective of reducing operational energy costs through locally generated renewable electricity. Consideration must also be given to the inclusion of a small on-site battery storage system, designed to optimise on-site consumption and manage surplus generation.

The Project Team will assess options including behind-the-meter solar PV solutions, options for private wire or PPA arrangements, and opportunities to integrate generation with nearby demand.

The site remains strategically valuable, with strong potential for local solar PV generation (and limited battery storage) to reduce council energy costs. Further work will take place to define practical, deliverable alternative energy uses for the site.

## 9 EV Infrastructure

9.1

Project: EV Infrastructure

R ●  
A ●  
G ●  
C ●

The project has a RAG rating of amber due to some slippage in the Migration Phase caused by operational issues. A KPI Improvement Plan has been received from EZO. The Contract Management Team will continue monitoring performance for a suggested period of 3 months – to be agreed at Portfolio Board. This will then be proceeded by the milestones of ‘Review transition stage’ and ‘Project Closure.’

### 9.2 Key Milestones & Requests for Change


The following milestones are set up in PRMS for this project:-

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	M12 25/26 On Target
<i>Starts / Completes Jan 26</i>	EV Infrastructure: Review transition stage	M12 25/26 Some Slippage
<i>Starts Dec25 / Completes Mar26</i>	EV Infrastructure: Project Closure Milestone 1/1/26 to 31/3/26	M12 25/26 Some Slippage

The project is on target in delivering its projected income of £100,000 in FY25/26. The migration of existing EV infrastructure from ChargePlace Scotland to the EZO platform has slipped due to operational issues, which has subsequently caused some slippage in the next milestone of Review transition stage. The Contract Management Team are monitoring EZO’s performance against the KPI Improvement Plan. The project team suggests for this monitoring period to be 3 months, subject to approval by Portfolio Board.

### 9.3 Financial Summary

#### i) Income

	Income Generation: EV Infrastructure: Income - FY 25-27	<b>£ 100,000</b>
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The target income of £100,000 is set to be achieved through Annual Contract Payment.

#### ii) Investment

	EV Infrastructure: Investment: EGF	<b>£ 31,567</b>
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All investment has been on staff resource only.

## 9.4 Key Risks

KEY RISKS ASSESSED / RESPONSE	CURRENT	
	RISK RATING	RESPONSE
EV Infrastructure: Grid Restraints	6	Tolerate
EV Infrastructure: Contractor & Councils Capacity	6	Treat

### Risk Management:

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

### Grid Restraints:

It has been identified there is a risk that charging infrastructure may not be delivered due to constraints on the electricity grid.

- **Primary risk category:** Operational & Service delivery
- **Mitigation:** the project team and EZO will work alongside SSE to understand current and relevant future grid constraints, and the associated impact on the delivery of future sites.

### Contract & Councils Capacity:

It has been identified there is a risk that the contractor may not be able to deliver the expansion of EV charging and Councils (Highland, Aberdeen City, Aberdeenshire, and Moray Councils) may not have the capacity to issue site licences.'

- **Primary risk category:** Financial - A risk that may have a detrimental effect upon the Council's revenue/ capital budget or reserves
- **Mitigation:** This risk is mitigated by the planned appointment the Contract Management Team.

## 9.5 Forward Plan

The Contract Management Team will continue to monitor EZO's KPI performance to ensure the completion of the project's Migration Phase. Concurrently, Pathfinder 1 sites are being progressed, with installation of new ChargePoints to begin in FY2026/27.

Following this monitoring period, the project team aims to complete the next milestone of 'Review transition stage' by Q1 FY2026/27, subject to approval by Portfolio Board.

## 10 Hydrogen Production - Longman

### 10.1



### Project Status: Amber

This project is amber due to its dependency on HAR3 funding and its technical viability. Notification for HAR3 will be received in the coming months and technical availability discussions will continue as the project develops.

**Project current position:**

Following approval at City of Inverness Area Committee, this project continues to progress through the Sheriff Court process for land change of use.

In addition, The UK Government is currently finalizing Hydrogen Allocation Round 2 (HAR2) applications ahead of the launch of HAR3. HAR remains an important opportunity for low-carbon hydrogen projects and will continue to provide Contract for Difference style subsidies, allowing producers to close the cost gap between green hydrogen and fossil fuels. There is currently no timeline available for projecting the application or funding process.

10.2 Key Milestones & Requests for Change

<b>MILESTONES</b>		<b>CURRENT STATUS</b>
<i>Completed Dec23</i>	Hydrogen Production Longman: Site development with Hydrogen focus	<b>M9 23/24 Completed</b>
<i>Starts / Completes Apr24</i>	Hydrogen Production Longman: Hydrogen Allocation Round application	<b>M9 24/25 Completed</b>
<i>Starts Nov 24 / Completes Jul 25</i>	Hydrogen Production Longman: Site remediation Stage 4 (Planning and regulatory approvals) complete	<b>M5 25/26 Completed</b>
<i>Starts Jan 25 / Completes Jul 25</i>	Hydrogen Production Longman: Site remediation Stage 5 (Update to design) complete	<b>M6 25/26 Completed</b>
<i>Starts Dec 24 / Completes Aug 25</i>	Hydrogen Production Longman: Option to Lease / Lease finalized	<b>M8 25/26 Completed</b>
<i>Starts Aug 25 / Completes Nov 25</i>	Hydrogen Production Longman: Site remediation Stage 6 [Construction - Advance Works] complete	<b>M12 25/26 Some Slippage</b>
<i>Starts Aug 25 / Completes Nov 25</i>	Hydrogen Production Longman: Inverness City Committee Approval of Lease	<b>M8 25/26 Completed</b>
<i>Starts Dec 25 / Completes Apr 26</i>	Hydrogen Production Longman: HAR3 Funding secured	<b>M12 25/26 No Significant Progress</b>
<i>Starts Nov 25 / Completes Apr 26</i>	Hydrogen Production Longman: Change of Use Approved	<b>M12 25/26 On Target</b>
<i>Starts Dec 25 / Completes Dec 26</i>	Hydrogen Production Longman: Site remediation Stage 7 [Construction - Main Works] complete	<b>M12 25/26 On Target</b>
<i>Starts / Completes May 28</i>	Hydrogen Production Longman: Storegga Final Investment Decision / Lease Commencement	
<i>Starts May 28 / Completes Jul 30</i>	Hydrogen Production Longman: Hydrogen Production Facility Operational	
<i>Starts / Completes Jul 30</i>	Hydrogen Production Longman: Revenue being shared	
<i>Starts Jul 30 / Completes Mar 31</i>	Hydrogen Production Longman: Project Closure	

Site remediation work – pending update.

### 10.3 Financial Summary

#### i) Income

Hydrogen Production Longman: Income generated from activation of Option to Lease starts FY25/26 £15,000 p.a.	£ 0
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No direct income from the project has been achieved in the year to date.

### 10.4 Key Risks

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
Hydrogen Production Longman: HAR3 Funding	9	Tolerate
Hydrogen Production Longman: Site Delivery	8	Tolerate

#### **Risk Management:**

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

**HAR3 Funding:** There is a risk that application submitted to the Department of Energy Security & Net Zero (DESNZ) for funding through Hydrogen Allocation Round 3 (HAR3) to develop a green energy hub on Highland Council land at Longman is not successful.

- Primary risk category: Financial – potential impact on the Council's revenue, capital budgets, or reserves.
- Mitigation – Highland Council ownership of site ensures opportunity for alternative development in the case project is unsuccessful.

**Site Delivery:** There is a risk that the Highland Council will be unable to deliver the agreed site for the Longman Green Energy Hub on the timeline required for the developer to meet the HAR3 operational timeline.

- Primary risk category: Reputational – a risk that may damage stakeholders' perception of the Council.
- Mitigation – Ongoing remediation works led by the Economic Development and Regeneration Team.

**Developer grid connection:** There is a Risk that the prospective Longman Green Energy Hub site developer is unable to secure a sufficiently large grid connection to meet their ambition.

- Primary risk category: Financial – potential impact on the Council's revenue, capital budgets, or reserves.
- Mitigation – Ongoing engagement with the developer to monitor likelihood of risk being realized.

## 10.5 Forward Plan

Further consideration is being given to The Highland Councils potential off-take requirement once the facility is operational. This focuses on four areas: estate, fleet, plant and power generation. Initial assets are being identified for pilot proposals, with an expected timeline for provision of 2028/29.

Designation: Assistant Chief Executive - Place

Date: 30 April 2026

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Background Papers: None

Appendices: None