

The Highland Council

Agenda Item	12
Report No	ECI/33/26

Committee: Economy and Infrastructure

Date: 20 August 2026

Report Title: Delivery Plan Budget Monitoring and Progress Update – Net Zero, Energy Investment & Innovation Q1 2026/27

Report By: Assistant Chief Executive - Place

1 Purpose/Executive Summary

- 1.1 The Delivery Plan 2024-27 consists of projects and 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 14 May 2026. 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:-
- 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 Members are asked to **scrutinise and note** the project/programme 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/programme 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.
- 3.4 **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 paragraph/s [add relevant para number/s].
- 3.5 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – There are no implications.
- 3.6 **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 a monitoring and update report and therefore an impact assessment is not required.

5 Investment Pipeline

Workstream: Investment & Innovation														
Project: Investment Pipeline G The identification, evaluation and development of projects to provide an ongoing pipeline of investment opportunities. Activity: The identification, evaluation and development of projects to provide an ongoing pipeline of investment opportunities. Building relationships with Scot Gov, DNO, investors, communities, developers, business development, land managers and technology specialists to develop an energy portfolio for the Council. Project Elements: - Develop workstreams: Hydrogen, Wind, Hydro, District Heat, direct wire solar, Anaerobic digestion, Storage, Wave/tidal. - Engage with developer/agents, Scot Gov, DNO, communities and investors to identify areas of potential. - Identify sites, develop business proposals, invest. - Investment manager appointed to support portfolio activity - Continue pursuit of solar PV developments in Wick, Brora & Tain.	Portfolio: Net Zero, Energy Investment & Innovation Portfolio Sponsor: Assistant Chief Executive													
	<table> <tr> <th>MILESTONES</th><th>CURRENT STATUS</th></tr> <tr> <td><i>Starts Apr24 / Completes May25</i></td><td>Investment Pipeline: New renewables contractor framework M3 25/26 Completed</td></tr> <tr> <td><i>Starts Apr24 / Completes Jul24</i></td><td>Investment Pipeline: Renewables Investment Manager appointed M7 24/25 Completed</td></tr> <tr> <td><i>Starts Aug24 / Completes Feb25</i></td><td>Investment Pipeline: Programme and Engagement Plan complete M12 24/25 Completed</td></tr> <tr> <td><i>Starts Feb25 / Completes Oct25</i></td><td>Investment Pipeline: Tranche one project proposals approved by E&I Committee M5 25/26 Completed</td></tr> <tr> <td><i>Starts Oct25 / Completes Apr26</i></td><td>Investment Pipeline: Tenders issued M8 25/26 Completed</td></tr> <tr> <td><i>Starts Oct25 / Completes Nov26</i></td><td>Investment Pipeline: Tranche two project proposals approved by E&I Committee M3 26/27 On Target</td></tr> </table>	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>
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 M3 26/27 On Target													

Overall Project RAG

This project has a RAG rating of green as Tranche 2 candidate projects are being developed.

Key risks and measures of success

INVESTMENTS		KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
	Investment Pipeline: Investment: EMR	£ 0	Investment Pipeline: Shortage of Investment Opportunities	3 Treat

MEASURES OF SUCCESS	CURRENT STATUS
 Investment Pipeline: INV/5 Renewable Energy 25-26: EMR (Current FY Forecast)	
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]	0

Financial Measures

i) Investment

M12 25/26 update: Drawdown £107,160
Spend on resource only

Earmarked balances 26/27
Opening balance: £23,048

6 Progress Updates on Tranche 2 Candidate Projects

6.1 Project 1 - Highland Clean Energy Investment Fund

6.1.1 The Phase 1 strategic and legal appraisal of the Highland Clean Energy Investment Fund concluded in Spring 2026. The work confirmed the potential for a regionally focused investment vehicle capable of capturing value from renewable energy developments and reinvesting proceeds into regional economic, social and environmental priorities.

6.1.2 Officers are now considering governance, investment and operational models and engaging with public, community and private-sector stakeholders to determine the preferred delivery structure.

6.2 Project 2 - Kinlochbervie

6.2.1 A series of engagement meetings have been undertaken with key stakeholders, including renewable energy developers and Council services. Initial work has identified opportunities relating to renewable energy generation, grid infrastructure, land development and local economic regeneration which are being further assessed.

6.3 **Project 3 – Wind Turbine**

- 6.3.1 Initial technical appraisal indicates the Whitehills site may be suitable for a small-scale turbine development subject to grid, planning and environmental assessments. Further feasibility work is being undertaken to determine technical viability and expected financial returns.

6.4 **Project 4 – Depot Charging Scheme**

- 6.4.1 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. Following an unsuccessful application in Jan 2026, the project team has since submitted a refined application for the second round of funding in Jun 2026. The application outcome is expected in August / September 2026.

6.5 **Project 5 - Solar PV opportunities**

- 6.5.1 Initial assessments of the Highland Investment Plan sites are underway. Opportunities for Solar PV to power the Community PoDs and wider Council estate is being assessed. Potential for battery storage co-location is also being examined to maximize on cost savings.

6.6 **Project 6 – Green Energy Efficiency**

- 6.6.1 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. Discussions are ongoing between USave and THC's Energy team to identify cost-saving opportunities across the Council estate.

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

- 6.7.1 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.
- 6.7.2 The Investment Pipeline Project is exploring how the Highland Clean Energy Investment Fund can be used as a vehicle to coordinate a community-led investment group to fully utilise the 60MW total capacity of wind farms that have been identified in Highland.

Designation: Assistant Chief Executive - Place

Date: 20 July 2026

Author: Teresa Ratnam, Programme Manager

Background Papers: None

Appendices: None