

Agenda Item	5
Report No	CCC/21/26

The Highland Council

Committee: Climate Change

Date: 4 November 2026

Report Title: Annual Report under Public Bodies Climate Change Duties 2025/26

Report By: Assistant Chief Executive - Place

1 Purpose/Executive Summary

- 1.1 This report is the Highland Council's Public Bodies Climate Change Duties Report for 2025/26. The report is produced annually and is a mandatory requirement of all public bodies.

2 Recommendations

- 2.1 Members are asked to:-
- i. **Consider** and **agree** the Highland Council's draft Public Bodies Climate Change Duties Report 2025/26 as set out in Appendix 1;
 - ii. **Consider** and **note** progress against the Council's current operational emissions reductions targets; and
 - iii. **Agree to recommend** to the Council that the Council's operational emissions reduction targets are reviewed as part of the ongoing review of the Net Zero Strategy and Route Map. This review should take account of Scotland's carbon budgeting framework, revised statutory guidance, Scotland's Climate Change Plan and the Strategic Approach to Climate Change, Energy and Community Resilience approved by Council in March 2026. Any proposed revisions will be informed by improved emissions data and analysis and brought back to Council for consideration and approval.

3 Implications

- 3.1 **Resource** - The Council is required to demonstrate, through its Public Bodies Climate Change Duties report, how it is contributing to the reduction of greenhouse gas emissions and supporting adaptation to climate change. Delivery of the Council's Net Zero Strategy and Route Map, Strategic Approach to Climate Change, Energy and Community Resilience, and future carbon budgeting arrangements will require the continued alignment of resources, investment decisions and service planning with climate change, energy and resilience objectives. The report also identifies opportunities to strengthen the evidence base for future decision-making through enhanced emissions reporting, carbon analysis and climate risk assessment.

- 3.2 **Legal** - Public bodies are legally required to reduce greenhouse gas emissions and support Scotland's adaptation to a changing climate. They are also legally required to report annually on their greenhouse gas emissions and what they are doing to help adapt to a changing climate. The detail of the legal requirements is outlined in section 4. The 2025/26 return includes a substantially revised and expanded adaptation narrative, aligned with the outcomes and objectives of Scotland's National Adaptation Plan 2024-2029 (SNAP3), to strengthen reporting against the Council's adaptation duty.
- 3.3 **Risk** - Climate change presents a range of strategic, operational, financial and reputational risks to the Council. Failure to reduce greenhouse gas emissions, adapt to the impacts of a changing climate, and embed climate considerations within decision-making could affect service delivery, infrastructure, assets, communities and the Council's ability to meet national policy expectations. Conversely, a proactive approach to climate change action, adaptation and resilience can help reduce long-term risks, strengthen organisational resilience and support access to external funding and partnership opportunities.
- 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 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 Background

5.1 Climate Change Duties

The Climate Change (Scotland) Act 2009 is a statutory framework for reducing greenhouse gas emissions in Scotland. Included within the Act are the following requirements on public bodies in the exercise of their functions:-

- Act in the way best calculated to contribute to delivery of the Act's emissions reduction targets;
- Act in the way best calculated to deliver Scotland's statutory adaptation programme; and
- Act in a way that it considers most sustainable

5.2 Public Bodies Reporting Requirements

In 2015, the Scottish Government introduced an Order under the Act requiring all public bodies to submit an annual report detailing their compliance with the climate change duties detailed above.

5.3 The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Amendment Order 2020 ("the Order") strengthened the reporting requirements placed on public bodies for reporting periods commencing after 1 April 2021. The additional requirements are intended to improve transparency and accountability by requiring public bodies to report on their emissions reduction targets, progress towards achieving those targets, alignment of spending and resources with climate objectives, and contribution to Scotland's adaptation ambitions.

The Order requires public bodies to report:-

- where applicable, a target date for achieving **zero direct emissions** of greenhouse gases, or such other targets that demonstrate how the body is contributing to Scotland achieving its emissions reduction targets;
- where applicable, any targets **for reducing indirect emissions** of greenhouse gases;
- how the body **aligns its spending plans and use of resources** to contribute to reducing emissions and delivering its emissions reduction targets;
- how the body will publish, or otherwise make available, its **progress towards achieving its emissions reduction targets**; and
- how the body is **contributing to Scotland's Adaptation Programme**

5.4 National Emissions Reduction Targets

In September 2019, the Scottish Parliament passed the Climate Change (Emissions Reductions Targets) (Scotland) Act 2019, setting the following national emissions reduction targets:-

- At least 75% lower than the baseline year by 2030;
- At least 90% lower than the baseline year by 2040; and
- Net Zero by 2045 ('Net Zero' refers to achieving an overall balance between emissions produced and emissions taken out of the atmosphere)

In 2024, the statutory interim targets for 2030 and 2040 were repealed following a review of Scotland's climate target framework. The Climate Change (Scotland) Act 2009 was subsequently amended to replace interim targets with carbon budgets. Carbon budgets are legally binding limits on greenhouse gas emissions in Scotland over five-year periods. This approach aligns Scotland with other UK administrations that use carbon budgets to provide a structured and legally binding framework for reducing emissions on the pathway to net zero.

The Climate Change (Scotland) Act 2009 (Scottish Carbon Budgets) Amendment Regulations 2025 establish caps on total greenhouse gas emissions over four consecutive five-year periods leading to Scotland's 2045 net zero target:-

- 2026-2030: Average emissions must be 57% lower than 1990 levels.
- 2031-2035: Average emissions must be 69% lower than 1990 levels.
- 2036-2040: Average emissions must be 80% lower than 1990 levels.
- 2041-2045: Average emissions must be 94% lower than 1990 levels.

5.5 The Council's draft return for reporting year 2025/26 under the Public Bodies Climate Change Duties (PBCCD) reporting framework is attached within **Appendix 1**. In accordance with the reporting requirements, all public bodies must submit their annual returns to the Scottish Government by 30 November 2026.

6 Scope of Reporting

6.1 The report relates to the Council's operational emissions, including water and energy use in buildings operated by High Life Highland (HLH), and waste, staff and fleet travel relating to HLH operations.

6.2 To calculate the Council's reported greenhouse gas emissions, data such as miles travelled, kWh of energy consumed, tonnes of waste generated and litres of fuel used are converted into carbon dioxide equivalents (CO₂e) using the UK Government Conversion Factors. These conversion factors are updated annually and consider changes to behaviours and technologies relating to renewables, energy efficiency, vehicle types and fuel economy.

For example, the emissions conversion factor for Waste - Combustion fell from 6.4kgCO₂e /tonne in 2024/25 to 4.7kg CO₂e tonne in 2025/26, a reduction of 27%. As a result, the same quantity of waste would generate lower reported emissions in 2025/26 than in the previous year. This change primarily reflects updates to the UK Government's assumptions relating to emissions associated with mechanical sorting at Material Recovery Facilities and changes in grid carbon intensity. Consequently, part of the reduction in reported emissions between years is attributable to the updated conversion factor rather than a change in waste volumes.

6.3 Emissions are categorised into:-

- **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 those associated with the procurement of goods, works, and services, construction activities, waste management, business travel and other relevant upstream and downstream activities.

6.4 Development of Scope 3 Reporting

The scope and expectations associated with greenhouse gas reporting continue to evolve, particularly in relation to Scope 3 emissions. While public body reporting has historically focused primarily on Scope 1 and Scope 2 emissions, there is increasing emphasis on the measurement and reporting of a broader range of Scope 3 emission categories. Best practice guidance recommends a phased approach to expanding reporting boundaries, prioritising those categories that contribute most significantly to an organisation's overall footprint.

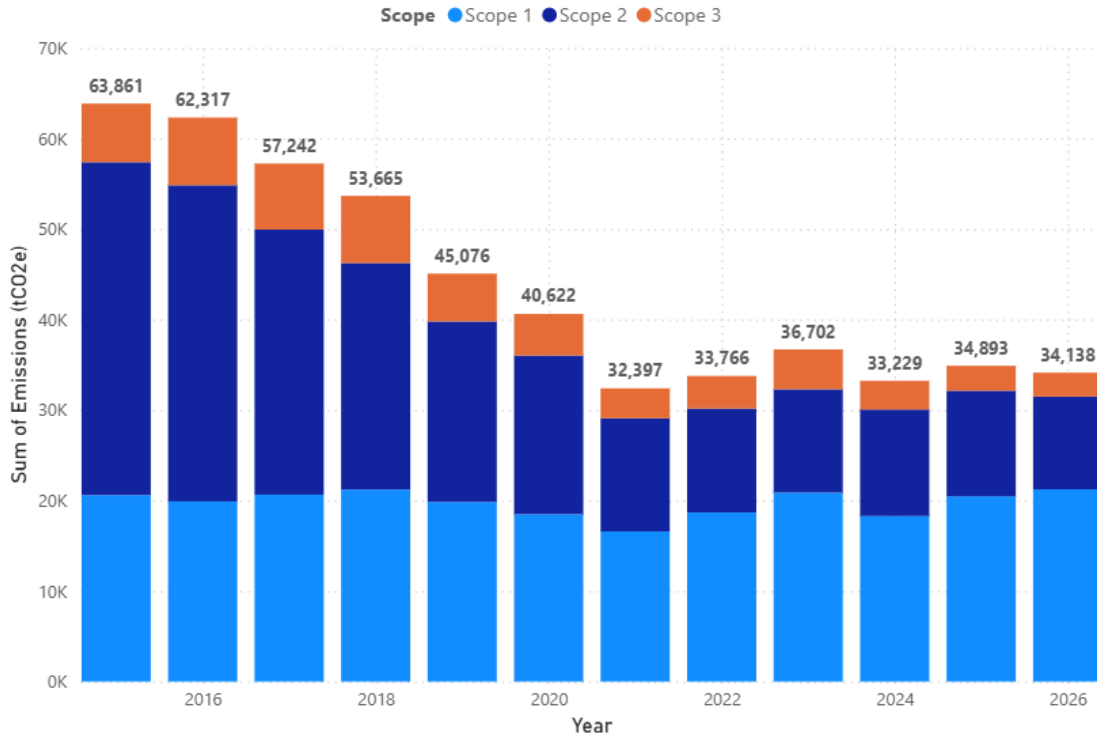
For Highland Council, priority Scope 3 categories are likely to include purchased goods and services and capital goods, particularly the embodied carbon associated with construction, infrastructure and large retrofit projects. Enhancing the quality and granularity of data within these areas will support a more complete understanding of the Council's emissions profile and help inform future emissions reduction activity.

In May 2026, the Climate Change Committee recommended approval of a 12-month managed engagement with Eden Seven, with the proposal subsequently approved by Council in June 2026. The engagement will implement the cero.earth carbon and sustainability management platform, supporting the consolidation of emissions data from multiple sources, strengthening reporting arrangements, improving understanding of Scope 3 emissions, and providing a more robust evidence base to support the introduction of carbon budgets.

During 2025/26, the Council undertook a Life Cycle Assessment (LCA) pilot to explore the practical application of whole-life carbon assessment across its capital programme. While the pilot identified challenges relating to the availability of structured project data, it confirmed the importance of improving data collection, systems integration and internal capability to assess embodied carbon. The findings informed an agreed approach for the Council, including the integration of key systems, the provision of specialist support during a transition period, and the development of internal capacity to undertake future life cycle carbon assessments. This will strengthen the Council's understanding of emissions associated with capital projects, improve the evidence base for reporting priority Scope 3 emissions categories, and support more informed investment, procurement and asset management decisions.

7 Key Data Highlights

7.1.1 Emissions in 2025/26 decreased by 2.2% (755 tonnes CO₂e) compared with 2024/25:-



7.1.2 In previous years, changes in reported emissions were partly influenced by the inclusion of additional data sources and improvements in reporting coverage. No new emissions sources have been added to the 2025/26 return and, as such, the reported emissions represent a like-for-like comparison with 2024/25, providing a consistent basis for assessing year-on-year performance.

7.1.3 Over half (51.6%) of the Council's reported emissions in 2025/26 arose from two emission sources:-

- Electricity: UK – Buildings;
- Fuels - Diesel (average biofuel blend) - exc. Bus Project / Bus Ops

Figure 1 illustrates the five largest emission sources reported during 2025/26, which together account for approximately 80% of the Council's total reported emissions. Appendix 1 provides a full breakdown of emission sources included within the Public Bodies Climate Change Duties return.

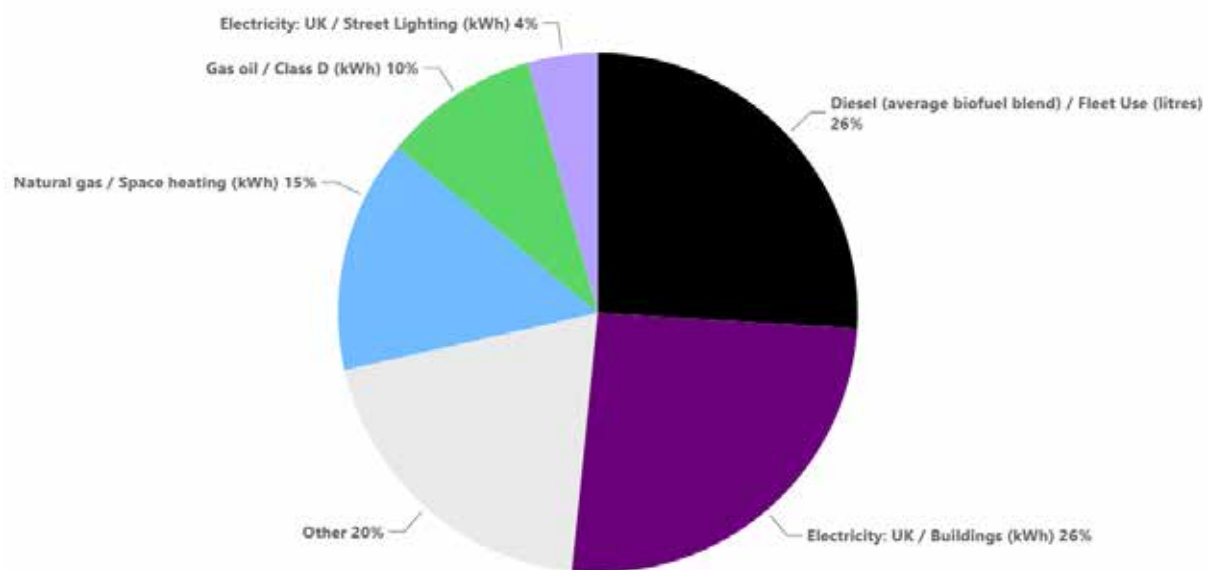
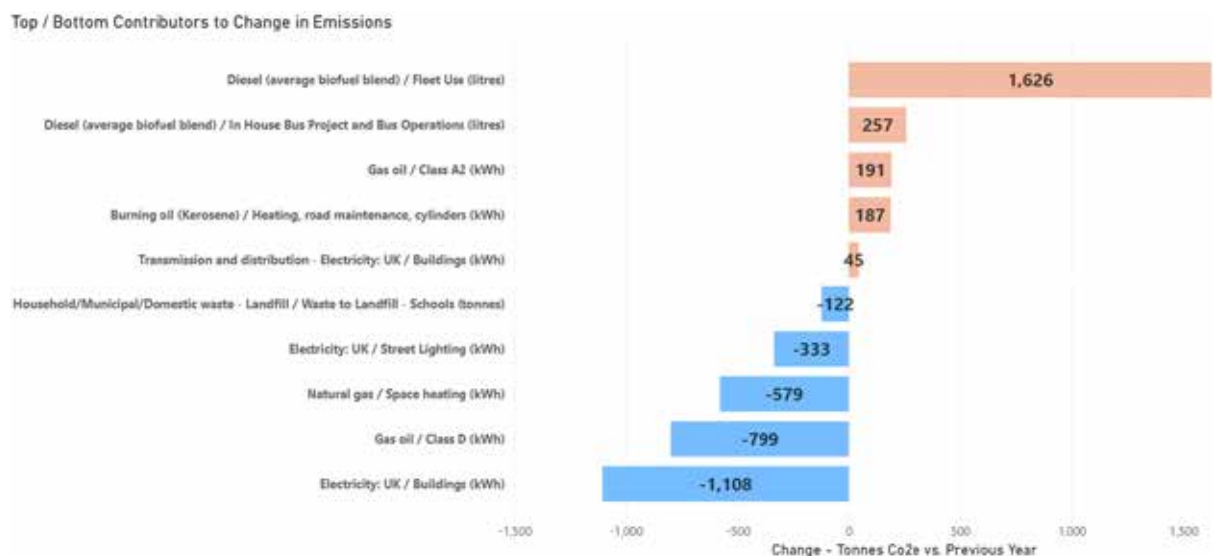


Figure 1: Five largest emission sources reported during 2025/26

7.2 Change vs. Previous Year by Category

7.2.1 The analysis below identifies the principal drivers of change in reported emissions between 2024/25 and 2025/26, highlighting the five categories with the largest increases and the five categories with the largest decreases in emissions. Commentary has been provided for those categories where changes in reporting methodology, data management processes or operational activities have had a significant influence on the reported movement.



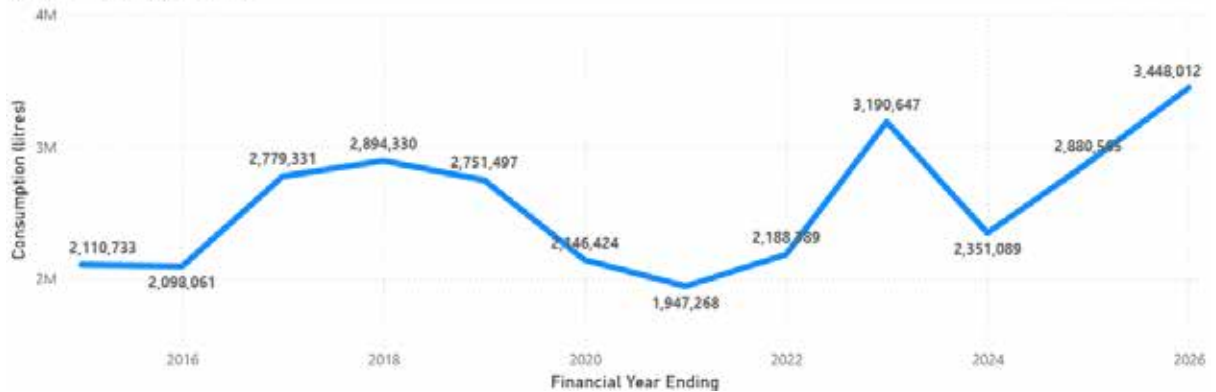
7.2.2 **Diesel (Fleet Use)** recorded the largest increase in emissions during 2025/26, rising by 1,626 tCO₂e compared to 2024/25. This represents a 22.5% increase in emissions, while diesel consumption increased by 19.7%. The difference between these figures is attributable to changes in the emissions conversion factor applied during 2025/26, as outlined in section 6.2.

Approximately 55% of fleet diesel is purchased through fuel cards at filling stations, with the remaining 45% delivered in bulk to Council depots and subsequently dispensed to vehicles and plant.

The methodology for reporting depot diesel consumption was improved during 2025/26. Historically, reported consumption was derived from individual refuelling transactions, some of which relied on paper-based manual records. As data collection processes have matured, reporting is now based on delivered fuel volumes, improving accuracy, traceability and assurance through strengthened data governance arrangements.

Diesel Consumption

Excludes In-House Bus Operations



In addition to these reporting improvements, increased diesel consumption reflects higher levels of operational activity across a number of services, including:

- increased waste collection activity associated with new housing developments;
- increased capital works within the Roads Service; and
- increased road maintenance activity.

The Council continues to transition vehicles away from diesel towards lower-emission alternatives, including plug-in hybrid electric vehicles (PHEVs). During 2025/26, more than 40 PHEV vans were introduced into the fleet. While petrol consumption remains significantly lower than diesel consumption, it increased by 17% compared with the previous year, partly reflecting the growing proportion of PHEV vehicles within the fleet. At present, the scale of this transition is not yet sufficient to have a material impact on overall diesel consumption across the fleet.

7.2.3 Diesel (average biofuel blend) / In House Bus Project and Bus Operations:

The Council's in-house bus service has continued to expand since its introduction, resulting in an increase in emissions associated with service delivery. Emissions from the service increased from 422.5tCO₂e in 2024/25 to 679.7tCO₂e in 2025/26, reflecting an approximate 61% increase in operations. While these emissions are appropriately included within the Council's overall reported emissions, the increase partially offset reductions achieved elsewhere across the organisation. Consequently, the overall reduction in reported emissions would have been greater had the scale of bus operations remained unchanged.

Measures are being introduced to reduce the carbon impact of the service, including the adoption of Hydrotreated Vegetable Oil (HVO) and the introduction of electric buses.

In 2025/26, emissions associated with the in-house bus service totalled 679.7 tCO₂e, representing approximately 2% of the Council's reported emissions.

	Tonnes Co2e			
	2022/23	2023/24	2024/25	2025/26
Bus Project (Diesel)	138.4	358.9	422.5	679.2
Bus Project (HVO)				0.5
All Emissions	36,702	33,229	34,893	33,698
Bus Project (% of Total reported)	0.38%	1.08%	1.21%	2.02%

7.2.4 **Burning Oil:** During 2025/26, a review of historical oil consumption data was undertaken as part of ongoing improvements to data quality and reporting processes. This identified opportunities to improve the categorisation of heating oil consumption between fuel subcategories following the introduction of fuel-specific reporting in 2024/25. While this has influenced year-on-year movements within individual oil categories, overall oil consumption has decreased since 2023/24. The review has strengthened the consistency, traceability and assurance of the Council's oil consumption reporting.

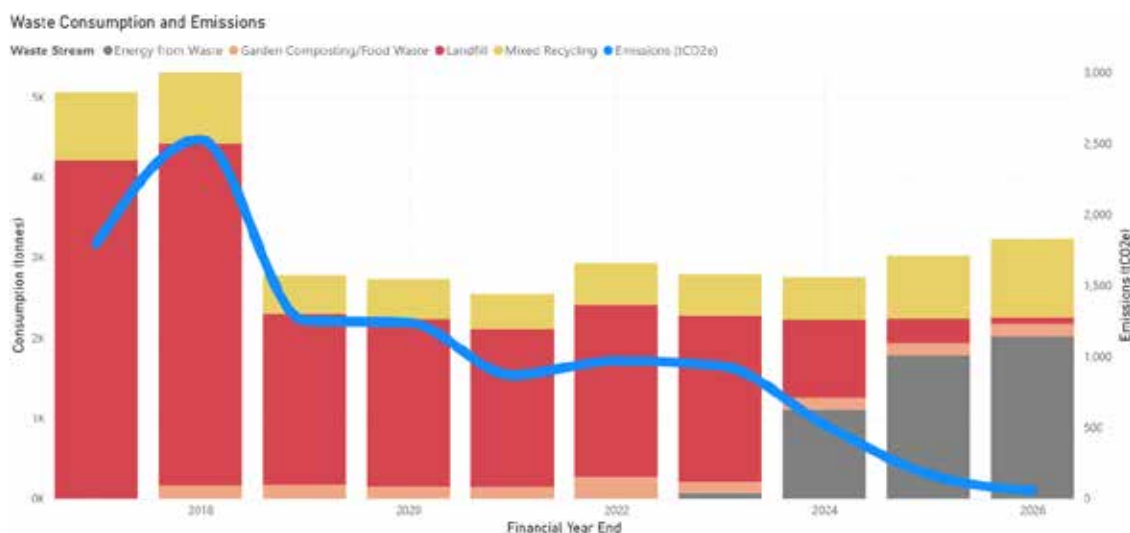
7.2.5 **Electricity (Scope 2, excluding street lighting)** recorded a reduction of 1,108tCO₂e compared with 2024/25. While reported emissions decreased by 11%, electricity consumption increased by 4% over the same period. The reduction in emissions is primarily attributable to changes in the UK electricity grid emissions factor, reflecting continued decarbonisation of the national electricity supply, rather than a reduction in electricity consumption.

7.2.6 **Household/Municipal/Domestic waste – Landfill / Waste to Landfill – Schools:** Following submission of the 2024/25 PBCCD return, further analysis of waste data was undertaken. This identified opportunities to improve the consistency of waste reporting and categorisation between Schools and Non-Schools, together with a minor variance of approximately 2% across the Council's reported waste streams.

Comparing reported figures for 2024/25 and 2025/26, waste volumes increased by approximately 7%, reflecting changes to the Council's estate and service provision, particularly within schools and infrastructure-related activities. Despite this increase in waste generation, reported emissions associated with landfill and combustion decreased by 68%.

This reduction can be attributed to:-

- the continued rollout of the Energy from Waste programme, significantly reducing the proportion of waste sent to landfill; and
- changes to the UK Government emissions conversion factors, reflecting improvements in waste processing technologies, reduced energy consumption during sorting and reprocessing, improved material recovery rates, and lower contamination levels.



8 Highland Council Targets

- 8.1 The Council adopted the Scottish Government's target of achieving net zero greenhouse gas emissions by 2045 through its Net Zero Strategy and Route Map, approved by Council in June 2023. In line with the national climate target framework in place at that time, the Strategy also established interim targets to reduce operational emissions by at least 75% by 2030 and 90% by 2040.
- 8.2 Figure 2 illustrates the trend in the Council's operational greenhouse gas emissions compared with the current 2030 emissions reduction target established through the Net Zero Strategy and Route Map approved in June 2023. While emissions have reduced significantly over the reporting period, further reductions will be required to achieve the Council's existing target.

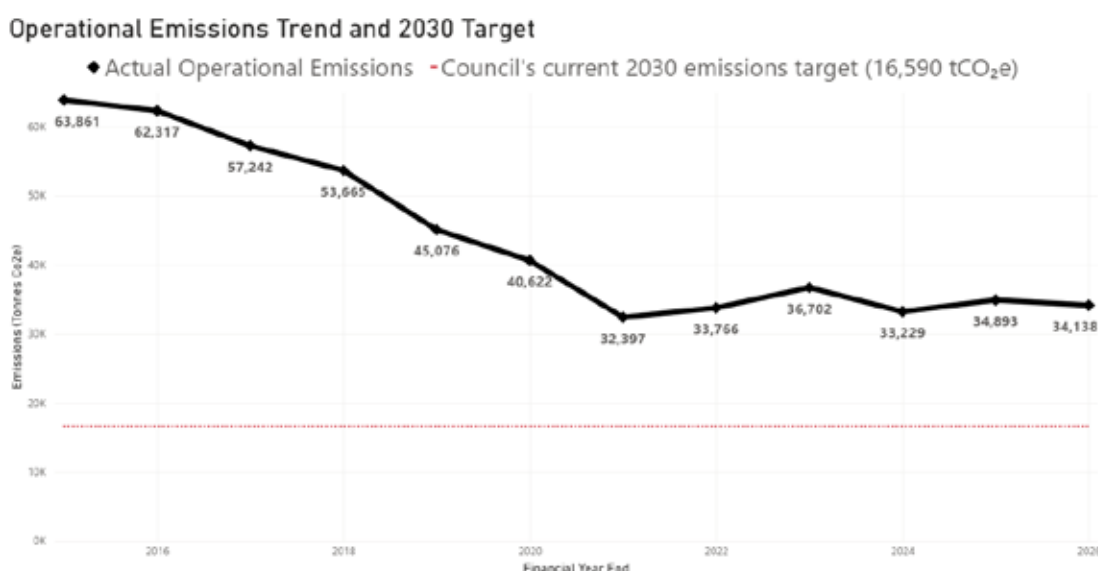


Figure 2: Operational Emissions Trend and 2030 Target

- 8.3 As outlined in section 5.4, Scotland's climate target framework changed in 2024, with the statutory interim targets for 2030 and 2040 being repealed and replaced by a system of carbon budgets.

- 8.4 In parallel, revised statutory guidance and the publication of Scotland's Climate Change Plan have provided an updated national framework for public sector climate action, with greater emphasis on effective climate governance, emissions reporting, carbon management and the delivery of emissions reductions. These themes are reflected in the Strategic Approach to Climate Change, Energy and Community Resilience approved by Council in March 2026, which highlighted the importance of a coordinated and organisation-wide approach to climate action, energy and resilience.
- 8.5 The Council is currently undertaking a review of its Net Zero Strategy and Route Map. As part of this process, consideration will be given to whether the Council's existing emissions reduction targets remain appropriate and aligned with the Council's wider strategic priorities, including the Strategic Approach to Climate Change, Energy and Community Resilience, and the evolving national policy and legislative framework.
- 8.6 As outlined in section 6.4, in June 2026, the Council approved a 12-month managed engagement with Eden Seven to implement the cero.earth platform. The platform will strengthen the Council's understanding of its emissions profile through the establishment of a corporate emissions baseline and enhanced reporting, forecasting and scenario-modelling capability. This will provide additional evidence to support the review of the Council's Net Zero Strategy and to inform future consideration of the Council's emissions reduction targets and carbon budgeting arrangements.
- 8.7 Any proposed revisions to the Council's Net Zero Strategy, Route Map or associated emissions reduction targets will be reported to Council for consideration and approval.

9 Priorities for 2026/27

- 9.1 In line with the PBCCD reporting requirements, the following proposed priorities have been identified for inclusion in the 2025/26 annual return. These reflect the ongoing review of the Net Zero Strategy and Route Map, the Strategic Approach to Climate Change, Energy and Community Resilience approved by Council in March 2026, and the evolving national policy and legislative framework.
- 9.2 **What are the body's top 5 priorities for climate change governance, management and strategy for the year ahead? (2026/27)**
1. Review and establish a revised governance and delivery model for climate change, energy and resilience, informed by the strategic direction approved by Council in March 2026 and cross-service engagement. This will support effective governance, collaboration and delivery across the organisation, ensuring climate change, energy and resilience priorities are embedded within service planning and decision-making.
 2. Progress implementation of the strategic approach to climate change, energy and resilience approved by Council in March 2026, ensuring delivery is aligned with Scotland's Climate Change Plan 2026-2040, the revised Public Bodies Climate Change Duties statutory guidance (March 2026), and emerging local priorities, opportunities and risks.
 3. Continue the development of the Council's carbon budgeting approach, including establishment of a robust organisational emissions baseline, enhanced carbon reporting and forecasting capability, and the governance and methodological frameworks required to support the introduction of service-level carbon budgets and emissions reduction trajectories.

4. Strengthen the Climate Change Impact Assessment (CCIA) process to improve the integration of climate mitigation, adaptation and resilience considerations within decision-making. This will include implementation of improvements to guidance, training, quality assurance, monitoring and reporting arrangements, and continued integration with the Council's wider impact assessment processes.
5. Build on the findings of the Lifecycle Carbon Analysis (LCA) Pilot to strengthen the integration of whole-life carbon considerations within capital investment, procurement and asset management decision-making. This will include development of the systems, data and governance arrangements required to support lifecycle carbon assessment across the Council's capital programme.

9.3 What are the body's top 5 climate change adaptation priorities for the year ahead? (2026/27)

1. Complete development of a corporate Climate Change Risk and Opportunity Assessment, using the findings of the Highland Climate Change Risk and Opportunity Assessment (HCCROA) and the Council's internal cross-service engagement programme to identify and assess climate-related risks and opportunities affecting Council services, infrastructure, assets and operations.
2. Following development of the Corporate Climate Risk and Opportunity Assessment, prepare a corporate Climate Change Adaptation Action Plan to translate the priorities identified within the Council's Climate Change Adaptation Strategy into deliverable actions, responsibilities, timescales and monitoring arrangements.
3. Progress approval and implementation of the Net Zero and Sustainability Design Standard to ensure climate adaptation and resilience are embedded within new-build, refurbishment and infrastructure projects across the Council estate.
4. Progress development of the Highland Community Resilience Strategy and support community resilience planning across Highland. This will include working with communities and partners to ensure climate risks and adaptation priorities are reflected within Community Resilience Plans, Area Place Plans and Local Place Plans.
5. Continue to support Highland Adapts as a partner organisation, helping to strengthen regional collaboration on climate adaptation, promote use of the HCCROA, and support delivery of the Highland Adapts Partnership Strategy 2026-2027 to advance climate resilience across the Highland region.

Designation: Assistant Chief Executive - Place

Date: 7 October 2026

Author: Andrew Morgan, Climate Change Coordinator
Fiona Daschofsky, Net Zero Programme Manager

Background Papers: Not Applicable

Appendices: Appendix 1 – Draft PBCCD 2025/26 Return
Appendix 2 – 2024/25 and 2025/26 Comparison

Public Bodies Climate Change Duties – Appendix 1 – Draft 2025-2026 Return

Part 1: Profile of Reporting Body

- 1a Name of reporting body**
The Highland Council
- 1b Type of body**
Local Authorities
- 1c Highest number of full-time equivalent staff in the body during the reporting year**
8795.1
- 1d Metrics used by the body**
(blank)
- 1e Overall budget of the body**
£805 million (Revenue)
- 1f Report Type**
Reporting type: Financial/Calendar/Other. Report year comments: Apr 2025 to Mar 2026

- 1g Context**
The Highland Council is the largest local authority in the UK, with a landmass similar in size to Belgium. The Highlands are largely rural in nature, covering an area of 26,484 sq. km with a population density of 9 people per sq. km.

Highland had the 7th highest population in 2024, out of all 32 council areas in Scotland. The National Records of Scotland reported estimated population figures of 237,290 for Highland in mid-2024. This is an increase of 13.6% from 2001 and an increase of 0.33% since 2023.

Key statistics: -

- Number of Council Houses – 15,431
- Length of roads maintained – 6785.4 km
- Length of footpaths maintained - over 1,700 km
- Harbours and marinas – 83 Marine Facilities throughout the mainland, Skye and Small Isles
- Bridges – 3997
- Schools – 198

Our non-domestic property portfolio covers around 750 sites with utility supplies. This includes:

- Primary & Secondary Schools (896 buildings over 192 sites including High Life Highland buildings, Public Private Partnership Schools & Wick Campus)
- Council Offices (99 buildings over 60 sites)
- Depots (134 buildings over 41 sites)
- Other (e.g. Social Work Facilities) (851 buildings over 487 sites)

Part 2: Governance, Management and Strategy

2a How is climate change governed in the body?

Member oversight

In May 2019, The Highland Council declared a climate and ecological emergency and agreed the Council would establish a Climate Change Working Group reporting directly to Full Council. In June 2022, Members agreed to reflect the significance of the climate change agenda by replacing the Climate Change Working Group with a Climate Change Committee. The remit of the Climate Change Committee is outlined below:

General

1.1 To provide advice and guidance on the climate, ecological, and environmental sustainability agenda, and identify, support and champion climate and ecological progress across the Council whilst providing an appropriate level of critical challenge for the organisation.

Specific

2.1 Public Bodies Climate Reporting Duties - As set out in The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Amendment Order 2020 including emissions baselining and monitoring.

2.2 Oversight, on the Net Zero Strategy, Action Plan and Programme, including the setting and scrutiny of performance targets relating with the following Programme workstreams:

- Built Estate and Energy/Asset Management
- Social Housing (HRA)
- Fleet, Staff Travel
- Waste and Circular Economy
- Procurement and Community Wealth Building

- Planning, Land Use and Environment
- Capital Programme
- Net Zero Funding Strategy

2.3 Responses to external policies and consultations.

2.4 Policy considerations and project progress and achievements in relation to climate and environmental related matters such as Just Transition, Adaptation, Land Reform, Food Growing and Land Use, Biodiversity etc.

2.5 To support and champion Highland's high-quality environment, air, land, water, food products and renewable energy resources to bring appropriate commercial opportunities, maximise income whilst raising awareness of the need to protect and enhance our critical environmental assets.

2.6 Review and monitoring of climate impact of Council policies.

2.7 Oversight of internal and external communication and engagement, and partnership building in relation to climate change mitigation and adaptation.

2.8 Promotion of Climate Change and Ecological issues and actions through the delivery of presentations at committee and oversight of development of internal and external facing events.

To consider and make recommendations to The Highland Council and / or any other appropriate strategic committee in relation to these matters, including any proposed changes or developments to Highland Council policy & strategy.

Further details of the terms of reference and the powers and duties delegated to the Committee are set out in the Council's Scheme of

Delegation: <https://www.highland.gov.uk/downloads/download/236/scheme-of-delegation>

The Committee meets quarterly and makes recommendations to Full Council and other strategic committees. Further information including membership of the Committee, dates of meetings and Committee Papers can be found here: https://www.highland.gov.uk/info/20003/committee_information/1001/climate_change_committee

Net Zero, Energy, Investment & Innovation Governance Model

The Council's Delivery Plan "Our Future Highland" (2024-2027), approved in May 2024, includes six portfolio themes:

- Person Centred Solutions
- Workforce for the Future
- Reconfiguring our Asset Base

- Corporate Solutions
- Income Generation
- Net Zero, Energy Investment and Innovation

Governance is provided by Portfolio Boards, each Chaired by an Assistant Chief Executive or Chief Officer. The Terms of Reference for these Boards include a specific responsibility to “Support the Net Zero Strategy”.

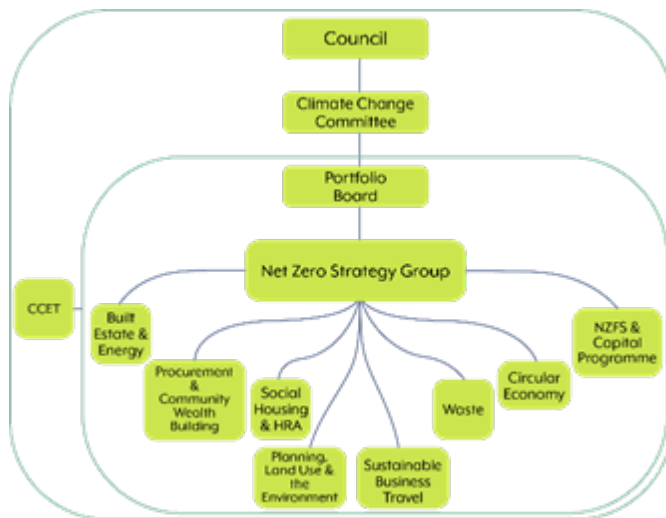
- The Highland Council is the governing body for the Net Zero Strategy and the “Our Future Highland” Delivery Plan.
- The Climate Change Committee provides oversight of the Net Zero Strategy, including scrutiny of performance targets.
- The Net Zero, Energy, Investment & Innovation Portfolio Board is the strategic officer-level decision-making body, Chaired by the Assistant Chief Executive – Place. The Board meets six-weekly and provides direction and manages risks and opportunities.
- The Net Zero Strategy Group leads on strategy development and delivery. It comprises senior managers from across Council services and connects eight Thematic Groups:
 - o Built Estate & Energy
 - o Procurement & Community Wealth Building
 - o Social Housing/HRA
 - o Planning, Land Use & Environment
 - o Waste
 - o Sustainable Business Travel
 - o Circular Economy
 - o Net Zero Funding Strategy & Capital Programme.

Adaptation

The Highland Adapts initiative, co-developed by The Highland Council, was launched in 2020/21 to deliver a place-based partnership approach to climate change adaptation in Highland. Further information regarding Highland Adapts is outlined in the Adaptation section of this report.

The Council has developed a Climate Adaptation Strategy to outline the council’s approach to safeguarding the Council and Highland region against the effects of climate change and to ensure continuity of services. This Strategy was presented to the Climate Change Committee in August 2025 and approved by Full Council in September 2025. A Climate Adaptation Action Plan is in development to guide the Council’s approach. Additionally, work is ongoing to complete a Corporate Climate Risk and Opportunity Assessment that will assess

the impacts of climate change on the Council. Further information is outlined in Part 4.



Climate Change, Energy and Community Resilience Strategic Paper

In March 2026, Council approved the Climate Change, Energy and Community Resilience Strategic Paper, which highlighted the need to strengthen long-term organisational capacity, programme coordination and governance arrangements. The paper recognised that climate change, energy transition and community resilience are interconnected challenges which require coordinated action across Council services and partners.

A key focus of the Strategic Paper is to strengthen coordination across Council services and develop proposals for a sustainable, long-term delivery model to support the Council's climate change, energy and resilience programme. The paper recognises that effective delivery will require sustained organisational capacity and programme governance aligned to long-term programme delivery rather than short-term project funding cycles.

During 2026/27, work has commenced to review governance and delivery arrangements, including proposals for an updated governance model for the Council's Net Zero Programme. This work is intended to support greater strategic alignment across mitigation, adaptation, energy transition and resilience activities and to ensure these considerations are embedded within corporate planning and decision-making processes.

2b How is climate change action managed and embedded in the body?

As highlighted in Section 2a, the Council's Delivery Plan "Our Future Highland" (2024–2027) includes Net Zero, Energy, Investment and Innovation (NZEII) as one of six core portfolio themes. This ensures that climate action is not siloed but embedded within the Council's broader transformation agenda.

The Delivery Plan commits the Council to delivering its Net Zero ambitions and enabling place-based planning for future energy capacity and security. This will be achieved by:

- Ensuring Highland Council is an organisation that models best practice in achieving Net Zero emissions, managing to reduce its consumption of energy.
- Expanding the means by which we can generate and distribute energy, using new technologies, enabling renewable sources and meeting the needs of residents and visitors.
- Maximising the commercial opportunities available to the council to generate income from energy creation and distribution.
- Fostering strategic investment in energy initiatives and consolidating the importance of the region in enabling national energy security, releasing income streams and ensuring returns on investment.

Portfolio Structure and Governance

The NZEI Portfolio comprises twelve programmes and projects grouped under three strategic workstreams:

- **Net Zero Delivery:** Net Zero Programme, Heat Networks
- **Energy Estate:** Energy Efficient Council, Solar PV Council Estate, Energy Billing Management, Energy Efficient Homes
- **Investment and Innovation:** Battery Storage, Utility Scale Solar PV, Solar PV Commercial Estate, EV Infrastructure, Longman Green Energy Hub (Joint Venture), Investment Pipeline

The Portfolio and all associated workstreams are sponsored by the Assistant Chief Executive – Place.

The Net Zero, Energy, Investment and Innovation Portfolio Board drives the Council's ambitious agenda toward achieving Net Zero and becoming a climate-ready organisation. Operating within the wider Council governance structure, the Board provides strategic direction, decision-making, risk management, and oversight of all activities within the Portfolio.

Board Responsibilities

The Board oversees delivery across the following areas:

- Net Zero Programme implementation
- Transition of the Council's non-domestic and domestic property estate
- Development of a pipeline of energy efficiency project
- Funding strategies to maximise opportunities
- Expansion and optimisation of Solar PV assets on the Council's non-domestic estate
- Scrutiny of energy expenditure to support cost-saving initiatives
- Battery storage investment model development

- Delivery of utility-scale Solar PV (Longman site)
- Solar PV deployment on leased commercial properties
- Enhanced EV infrastructure through joint procurement
- Development of Heat Networks
- Renewable energy project pipeline (hydrogen, wind, hydro, including community schemes)

In line with its scope, the Board is responsible for:

- Leading with purpose and maintaining momentum to deliver project outcomes
 - Commissioning and approving Business Cases and delivery plans
 - Monitoring progress and ensuring continued viability of investments
 - Ensuring resource availability
 - Managing risks and issues, and authorising remedial actions
 - Resolving escalated matters and applying change controls
 - Communicating project information across stakeholder groups
 - Providing policy direction and guidance to Sponsors/SROs
- Reporting to Climate Change, Corporate Resources, and Housing & Property Committees

A standard Portfolio Management approach is applied across the Delivery Plan to ensure consistency, transparency, and successful delivery. Coordination is provided by the Corporate Portfolio Management Office within the Corporate Cluster, focusing on risk management, timescales, savings and income targets, resource allocation, expenditure, and benefits realisation.

Progress is monitored through a standardised reporting framework coordinated by the Corporate Portfolio Management Office. Key performance indicators (KPIs), delivery milestones, and benefit realisation metrics are tracked and reported to relevant committees to ensure transparency and accountability.

Operational Oversight

The Net Zero Strategy Group, meeting six-weekly, is responsible for:

- Operational development and delivery of the Net Zero Strategy and Programme
- Leading Thematic Groups and integrating proposals into work programmes
- Monitoring delivery of Thematic Group Action Plans
- Reviewing and updating the Strategy in response to market conditions and innovations
- Overseeing communications and engagement activities
- Identifying capability and capacity gaps across services
- Promoting cross-service collaboration
- Reviewing plans, policies, and procedures to align with adaptation, mitigation, and sustainability goals

The Strategy Group is tasked with bringing five proposed projects for inclusion in the Net Zero Programme to each meeting of the Climate Change Committee.

Officer Leadership and Support

The Climate Change and Energy Team (CCET) provides dedicated support to the Portfolio Board, Strategy Group, and Thematic Groups. The team's core functions include:

- Technical guidance on climate change, adaptation, and sustainability
- Emissions monitoring and statutory reporting
- Internal engagement and capacity building
- Partnership coordination and external funding support
- Supporting services to develop and deliver projects that accelerate the Council's transition to Net Zero.

The CCET sits within the Place Cluster and reports to the Chief Officer – Facilities and Fleet Management:

- https://www.highland.gov.uk/downloads/file/15917/council_structure
- <https://www.highland.gov.uk/downloads/download/109/know-your-council>

Climate Change Impact Assessment

The Council's Net Zero Strategy sets out a clear commitment to embed climate change considerations into all aspects of decision making. A key priority of the Strategy is the introduction of a Climate Change Impact Assessment (CCIA).

The CCIA was introduced in July 2024 as a core component of the Integrated Impact Assessment (IIA) tool. The CCIA aims to ensure that proposals are assessed for their impact on emissions, biodiversity, and resilience, enabling informed decisions and appropriate mitigation or adaptation actions.

It is intended to be applied at the earliest stages of proposal development, ensuring climate considerations are embedded from the outset, not as an afterthought, into the shaping, designing, and delivering of services, policies, and projects. This proactive approach enables the Council to anticipate risks, identify opportunities, and embed climate resilience from the initial stages.

All completed assessments are published and referenced within Committee reports, helping to ensure that climate impacts are visible and transparent at the point of decision-making.

As part of ongoing efforts to improve the IIA process, the Fairer Highland Group, comprising officers from across Council clusters, conducted a review of the process during 2025. The review identified opportunities to strengthen guidance,

training, quality assurance, monitoring and system integration. Recommendations were reported to the Climate Change Committee in November 2025 and are being progressed through an ongoing programme of improvement activity.

Key Performance Indicators

A key milestone within the Net Zero Programme is the development of whole-Council Key Performance Indicators (KPIs). These will support greater accountability for delivery of the Net Zero Strategy by embedding measurable outcomes across relevant services and strengthening reporting, monitoring and ownership of climate objectives throughout the organisation. The development of the KPI framework is closely linked to the review of governance arrangements and the establishment of a sustainable long-term delivery model for climate change, energy and resilience activity.

Service Carbon Budgets

Carbon budgets provide a key mechanism for managing corporate risk associated with emissions reduction targets, enabling the Council to establish realistic service-level expectations, monitor performance and identify where additional intervention may be required. A robust and consistent baseline of the Council's greenhouse gas emissions is essential to support the development and management of service carbon budgets.

During the report year, officers within the Climate Change & Energy Team and Shared Procurement Service undertook an assessment of EdenSeven's carbon-data management platform, cero.earth, to better understand how carbon-related data associated with the Council's operations, assets, supply chain and projects could be more effectively managed.

This work included reviewing and testing how existing emissions and procurement datasets could be integrated, assessing reporting and dashboard functionality, and exploring opportunities to improve forecasting, scenario modelling and carbon reporting. The assessment demonstrated the potential to strengthen the Council's carbon reporting and management capability, whilst also highlighting the importance of robust data governance, data quality and ongoing support arrangements.

The findings informed proposals to strengthen the Council's carbon management and reporting arrangements through implementation of the cero.earth sustainability management platform and associated managed support services. The platform will support the consolidation and validation of carbon data, project and intervention tracking, forecasting and scenario modelling, and the production of auditable reports and dashboards to support governance, decision-making and the future development and management of service carbon budgets.

The development of service carbon budgets will support greater accountability for emissions reduction across Council services, enabling performance to be monitored against agreed carbon reduction pathways and helping to embed climate considerations within service planning and decision-making.

Net Zero embedded in Capital Programme

Work has been ongoing to establish a process for measuring and monitoring embodied, operational and maintenance carbon emissions within capital projects, with a view to informing decision-making and reducing Council emissions.

During the report year, the Council undertook a pilot to evaluate life-cycle assessment (LCA) tools and explore how whole-life carbon assessment could be embedded within the Capital Programme. The pilot also considered how LCA tools could integrate with existing project and asset management systems and explored options for developing an in-house life-cycle assessment capability over time.

Three live projects, representing a new build, retrofit and infrastructure project, were selected for the trial. Difficulties encountered during the pilot, particularly around the availability of structured project data, resulted in a more limited assessment than originally anticipated. However, the pilot generated valuable insights and highlighted the need to embed carbon assessment requirements within project specifications from the earliest stages of project development and improve the availability of project data to support whole-life carbon modelling.

The lessons learned informed an approach approved by the Net Zero, Energy Investment & Innovation Portfolio Board in March 2026. This comprises:

- Progressing the integration of key project, cost and asset management systems to improve the availability and management of carbon-related data.
- Utilising external life-cycle assessment consultancy support during a 12-18 month transitional period.
- Developing internal capability and expertise to undertake life-cycle assessments in-house over the longer term.
- Providing governance and oversight through the Climate Change & Energy Team to ensure assessments are accurate, consistent and aligned with the Council's strategic objectives.

Embedding whole-life carbon assessment within the Capital Programme will strengthen the Council's ability to consider carbon impacts alongside cost, performance and asset management considerations when planning and delivering future capital investment.

Net Zero and Sustainability Design Standard

During the report year, work continued on the development of a Net Zero and Sustainability Design Standard to support the delivery of low-carbon, energy-efficient and climate-resilient new build and refurbishment projects delivered by the Council. The draft Standard draws heavily on the Scottish Futures Trust Net Zero Public Sector Buildings Standard and has been informed by the Council's emerging net zero and climate adaptation priorities.

The Standard is being developed through cross-service collaboration and review of current legislation, policy and industry best practice. Once adopted, it will provide a consistent framework for project development, design, operational energy performance, climate resilience and whole-life carbon assessment, supported by technical guidance, lifecycle carbon analysis, building carbon strategies and post-occupancy evaluation.

The Standard will support greater integration of climate change, energy and sustainability considerations into project development, capital investment and asset management decision-making processes across the Council.

2c Does the body have specific climate change mitigation and adaptation objectives in its corporate plan or similar document?

Wording of objective	Name of document	Document Link
A Sustainable Highland Environment and Global Centre for Renewable Energy Accelerate our response to the climate and ecological emergency. Make the most of the financial and environmental opportunities arising from the huge renewable energy potential in the Highlands.	Our Future Highland, Administration Programme 2022 - 2027	https://www.highland.gov.uk/downloads/download/494/our_priorities
A Sustainable Highland Environment and Global Centre for Renewable Energy Accelerate our response to the climate and ecological emergency. Make the most of the financial and environmental opportunities arising from the huge renewable energy potential in the Highlands.	Our Future Highland, Performance Plan 2022 – 2027	https://www.highland.gov.uk/policies-strategy/programme
We will deliver on the Council's Net Zero Ambitions and enabling place-based planning for future energy capacity and security – maximising the opportunities available to us in the following ways: • Ensuring Highland Council is an	Delivery Plan 2024-27	https://www.highland.gov.uk/downloads/file/28497/delivery_plan_2024-2027

organisation that models best practice in achieving Net Zero emissions, managing to reduce its consumption of energy.

- Expanding the means by which we can generate and distribute energy, using new technologies, enabling renewable sources and meeting the needs of residents and visitors.

- Maximising the commercial opportunities available to the council to generate income from energy creation and distribution.

- Fostering strategic investment in energy initiatives and consolidating the importance of the region in enabling national energy security, releasing income streams and ensuring returns on investment.

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2d Does the body have a climate change plan or strategy?

The Council's Net Zero Strategy was approved by Members on 29 June 2023 and can be found here: <https://www.highland.gov.uk/downloads/download/495/net-zero-strategy>

A revised approach for the future delivery of the Net Zero Strategy was approved by the Climate Change Committee in May 2024:
https://www.highland.gov.uk/download/meetings/id/83318/3_net_zero_action_plan_-_proposed_revised_approach

2e Does the body have any plans or strategies covering the following areas that include climate change?

Topic area	Name of document	Link	Time period covered	Comments
Adaptation	Highland Council Corporate Risk Register	https://www.highland.gov.uk/downloads/meetings/id/84543/item_7_corporate_risk_register	Refreshed on a quarterly basis	Risks relating to Climate Change and the Ecological Emergency are detailed under HCR2, HCR6, HCR7, HCR8 and HCR9.
Business travel	Travel & Subsistence Policy	https://www.highland.gov.uk/downloads/file/4167/travel-and-subsistence-policy	2020 Onwards	Policy setting out procedures to be followed when arranging business and staff travel with specific aims to reduce travel where possible and promote use of more sustainable forms of travel.
Staff Travel	Travel & Subsistence Policy	https://www.highland.gov.uk/downloads/file/4167/travel-and-subsistence-policy	2020 Onwards	Policy setting out procedures to be followed when arranging business and staff travel with specific aims to reduce travel where possible and promote use of more sustainable forms of travel.
Energy efficiency	Local Housing Strategy (LHS)	https://www.highland.gov.uk/downloads/download/915/highland-housing-strategy	2017-2022 & 2023-2028	Sets out the strategic direction, policies & plans that will enable Highland Council and partners to deliver high-quality housing and housing services across Highland.
Energy efficiency	Strategic Housing Investment Plan 2026 - 2031	https://www.highland.gov.uk/downloads/meetings/id/85825/Item%25209%2520-%2520Strategic%2520Housing%2520	2026 - 2031	This strategy sets out how investment in affordable housing will be directed over the period 2026 – 2031 to achieve the priorities identified in the Council’s Local Housing Strategy. Section 9.4

		nvestment%2520Plan%25202026-2031		(Sustainability) sets out the support of sustainable design, construction and energy efficient features in accordance with Scottish Government standards and Building Standards.
Fleet transport	Approach to Sustainable Business Travel	https://www.highland.gov.uk/downloads/82045/9_approach_to_sustainable_business_travel	2023-2030	Sets out the Council's approach to Sustainable Business Travel.
ICT	Digital Strategy	https://www.highland.gov.uk/policies-strategy/digital-strategy	2022-27	Sets out the next phase of digital development for the Council.
Renewable energy	Highland Renewable Energy Strategy	https://www.highland.gov.uk/downloads/file/6315/highland-renewable-energy-strategy-may-2006	2006 Onwards	Onshore Wind Energy Supplementary Guidance adopted November 2016.
Sustainable/renewable heat	LHEES	https://www.highland.gov.uk/info/1210/environment/1097/the_local_heat_and_energy_efficiency_strategy https://www.highland.gov.uk/downloads/84056/item_10_the_local_heat_and_energy_efficiency_strategy_lhees_delivery_plan_update	2024-2045	The Strategy underpins an area-based approach to heat and energy efficiency planning and delivery. It sets out the long-term plan for decarbonising heat in buildings and improving their energy efficiency across an entire local authority area. The LHEES Delivery Plan Strategic

				Approach and draft Delivery Plan was agreed by Council in December 2024.
Waste management	Waste Management Service Update	https://www.highland.gov.uk/downloads/downloads/83797/12_waste_management_service_update	2024 onwards	This service update outlines the roll out of twin stream recycling across the Highlands, enabled by the Recycling Improvement Fund. The Council is currently in the process of developing a Waste Strategy that will cover 2025-30.
Water and sewerage	Highland Wide Local Development Plan, p.116-120	https://www.highland.gov.uk/info/178/development_plans/199/highland-wide_local_development_plan	2012-2032	Our vision for the whole Highland Region (excluding Cairngorms National Park) setting out how land can be used by developers for the next 20 years.
Land Use	Growing our Future - Community Food Growing Strategy	https://www.highland.gov.uk/downloads/downloads/297/growing-our-future-a-community-food-growing-strategy-for-highland	2022-27	Highland's first food growing strategy supporting community empowerment, the health and prosperity strategy, helping to achieve net zero targets and improving the health and wellbeing of our communities.
Other (please specify in comments)	Performance Plan	https://www.highland.gov.uk/downloads/downloads/4317/performance-plan-2022-2027	2022-27	The Performance Plan provides the framework for the delivery & monitoring of the Council's programme "Our Future Highland". This sets out the Council's ambition to establish the foundations of a brighter and more sustainable future for Highland Communities through five

				key strategic priority outcomes grouped under the themes of People, Place and Economy.
Land Use	Highland Indicative Regional Spatial Strategy to 2050	https://www.highland.gov.uk/downloads/file/2198/highland-indicative-regional-spatial-strategy-to-2050-refined	2020-2050	Broad level strategy for land use and management of assets and infrastructure.
Land Use	Inner Moray Firth Local Development Plan	https://www.highland.gov.uk/info/178/development_plans/202/inner_moray_firth_local_development_plan	2022-2042	Sets out policies and land allocations to guide development in the Inner Moray Firth area.
Land Use	West Highland and Islands Local Development Plan	https://www.highland.gov.uk/info/178/development_plans/582/west_highland_and_islands_local_development_plan	2019-2039	WestPlan focuses on where development should and should not occur in the West Highlands and Islands area over the next 20 years.
Land Use	Caithness & Sutherland Local	https://www.highland.gov.uk/info/178/development_plans/283/caithness_and_sutherland_local_development_plan	2018-2038	CaSPlan sets out our vision and development strategy for the counties of Caithness & Sutherland for 2018-2038.

	Development Plan			
Land Use	Area Place Plans: Fort William 2040, Skye & Raasay Investment Plan & Inverness Strategy	https://www.highland.gov.uk/downloads/file/2198/highland-indicative-regional-spatial-strategy-to-2050-refined	Various	Broad level strategy for land use and management of assets and infrastructure.
Land Use	Local Flood Risk Management Plan for Highland & Argyll Local Plan District (LPD01) and Findhorn, Nairn & Speyside Local Plan District (LPD05)	https://www.highland.gov.uk/info/1226/emergencies/81/flooding/3	2022-28	Flood Risk Management Plans to coordinate efforts to tackle flooding in LPD01 & LPD05.

Land Use	Highland-Wide Local Development Plan	https://www.highland.gov.uk/info/178/development_plans/199/highland-wide_local_development_plan	2012-2032	Our vision for the whole Highland Region (excluding Cairngorms National Park) setting out how land can be used by developers for the next 20 years.
Land Use	Tree Management Strategy	https://www.highland.gov.uk/downloads/file/1764/tree-management-strategy	2023 Onwards	Strategy detailing how the Council will manage its own tree resource.
Adaptation	Adaptation Strategy	https://www.highland.gov.uk/downloads/meetings/id/85402/7.%2520Climate%2520Change%2520Adaptation%2520Strategy%2520Report	2025 Onwards	The Council has developed a Climate Adaptation Strategy to outline the council's approach to safeguarding the Council and Highland region against the effects of climate change and to ensure continuity of services. This Strategy was presented to the Climate Change Committee in August 2025 and approved by Full Council in September 2025. A Climate Adaptation Action Plan is in development.
Other (please specify in comments)	Joint Procurement strategy	https://www.highland.gov.uk/downloads/file/5302/joint-procurement-strategy-2023-2026	2023-2026	Climate Change, Net Zero & Circular Economy is one of the six key themes within the Joint Procurement Strategy.

Other (please specify in comments)	Local Transport Strategy	https://www.highland.gov.uk/downloads/file/29476/highland_local_transport_strategy_2025_to_2035	2025-2035	This Local Transport Strategy (LTS) sets out the future policy direction and focus for how The Highland Council will maintain, manage and improve the transport system in Highland over the 10-year period from 2025 to 2035. It covers the movement of people and goods and considers all modes of transport across Highland.
Other (please specify in comments)	Local Transport Strategy Delivery Plan	https://www.highland.gov.uk/downloads/meetings/id/86421/Item%252010.%2520Local%2520Transport%2520Strategy%2520Delivery%2520Plan	2025-2035	This Delivery Plan accompanies the Local Transport Strategy and sets out the actions required to deliver on its ambitions.
Energy efficiency	Heating Policy for Non-Domestic Buildings	https://www.highland.gov.uk/downloads/meetings/id/82267/7_heating_policy_for_non-domestic_estate	2024 onwards	This policy sets out Highland Council's management approach to the provision of heating to our non-domestic property estate. It aims to comply with Health and Safety requirements, provide appropriate standards of thermal comfort conditions for staff, whilst minimising both carbon emissions and utility-related expenditure.

Other (please specify in comments)	Delivery Plan 2024-27	https://www.highland.gov.uk/downloads/file/28497/delivery_plan_2024-2027	2024-27	Our operational Delivery Plan shows how the Council will deliver on Our Future Highland commitments, through a major programme of transformation for our people and places, working in collaboration with others to create a vibrant and sustainable Highland area.
Land Use	Ecology Strategy and Action Plan	https://www.highland.gov.uk/downloads/file/5592/ecology-strategy-and-action-plan	2024 onwards	The Strategy sets out a suite of actions that will see the Council manage the estate more effectively for biodiversity; influence others through the implementation of policy and guidance; and work with our communities, regional and national partners and stakeholders to engage in collective action to tackle the ecological emergency together.
Other (please specify in comments)	Community Wealth Building Strategy	https://www.highland.gov.uk/downloads/meetings/id/83863/item_6_community_wealth_building_strategy	2024-27	The CWB Strategy sets out a 3-year vision that we will create an inclusive economy by retaining greater wealth and maximising spending within and for the communities of the Highlands, through harnessing organisational power and enabling community-led activity.
Other (please specify in comments)	Community Benefit Policy (Procurement)	https://www.highland.gov.uk/downloads/meetings/id/83794/9_highland_community_benefit_policy_procurement	2024 onwards	Highland Council is committed to securing, meaningful, environmental, social, and economic value through all

				our procurement activity. This policy will ensure Community Benefits are routinely considered and Community Benefit clauses are included in all works, goods and services frameworks or contracts, where it is proportionate and relevant to do so.
Renewable energy	Social Value Charter for Renewables Investment	https://www.highland.gov.uk/downloads/meetings/id/83522/item_10_social_values_charter_for_renewables_investment	2024 onwards	This Charter is designed to set out what the area expects from renewables investment alongside what we, as public/private/community sector partners, will do to support and enable this contribution. It aims to: • Embed an approach to community wealth building into Highland • Maximise economic benefits from our natural environment and resources • Engage and involve relevant stakeholders to understand how we can continually improve our impact • Unlock economic opportunities for the area.
Land Use	Highland Nature Biodiversity Action Plan	https://www.highland.gov.uk/downloads/file/27148/highland_nature_biodiversity_action_plan_2021_%E2%80%93_2026	2021-2026	This Highland Nature Biodiversity Action Plan, is the fourth biodiversity action plan for Highland since 2006, and focuses on where positive

				biodiversity action can be taken to conserve and enhance important habitats and species. This action plan was developed as a partnership approach by Highland Council and multiple organisations across the region.
Other (please specify in comments)	Sustainable Tourism Strategy	https://www.highland.gov.uk/downloads/download/843/sustainable-tourism-strategy	2024-30	The Sustainable Tourism Strategy provides the strategic direction for the Council in working towards transitioning to a more economically sustainable and climate conscious tourism sector.
Other (please specify in comments)	Net Zero Communication and Engagement Strategy	https://www.highland.gov.uk/downloads/download/83735/5_net_zero_-_communications_and_engagement	2024 onwards	The Net Zero Communications and Engagement Strategy has been developed to raise awareness and engage with the wide range of stakeholders to accelerate the Council's transition to Net Zero and to become a climate-ready organisation. Effective communication and engagement will be fundamental to the success of the Council's Net Zero Programme and this strategy outlines our approach.

Other (please specify in comments)	Strategic Asset Management Plan 2025-2027	https://www.highland.gov.uk/download/meetings/id/86324/Item%25209%2520Strategic%2520Asset%2520Management%2520Plan	2025 - 2027	The Strategic Asset Management Plan formalises the strategy, policy and range of duties and actions required to take forward the Council's cross-service approach to property and asset management. Climate considerations are embedded at the core of the Strategic Asset Management Plan, with a strong focus on supporting the Council's net zero targets and reducing its overall environmental impact. The plan ensures that all property and area reviews incorporate sustainability principles, including energy efficiency, carbon reduction, responsible resource use and resilience.
Adaptation	Joint Health Protection Plan 2025 - 2027	https://www.highland.gov.uk/download/meetings/id/85849/10.%2520Joint%2520Health%2520Protection%2520Plan%25202025-2027	2025 - 2027	This Strategy recognises the close links between environmental and human health, noting the risks posed by climate change; particularly extreme weather events, reduced indoor and outdoor air quality, vector-borne disease, wildfires, water scarcity and weather-related incidents.

Adaptation	Regional Coastal Change Adaptation Plan	https://www.highland.gov.uk/downloads/meetings/id/85065/Item%252016.%2520Regional%2520Coastal%2520Change%2520Adaptation%2520Plan	2025 onwards	The Regional Coastal Change Adaptation Plan provides an overview of the risks across the Highland Council area, identifying communities and assets that are least resilient to climate change, rising sea levels, coastal erosion and flooding. The Regional CCAP provides a framework and flexible adaptive pathway approach to address these risks over time, enabling the Highland Council and coastal communities to be more resilient to climate change, coastal erosion and flood risk now and in the future.
Energy Efficiency / Other (Please specify in comments)	Learning Estate Strategy	https://www.highland.gov.uk/downloads/meetings/id/84632/5.%2520Draft%2520Learning%2520Estate%2520Strategy	2025- 2035	This strategy outlines the Council's commitment to deliver three projects included in the Scottish Government's Learning Estate Investment Programme (LEIP), which has associated embedded carbon standards. Additionally, section 8 'The Highland Investment Plan' mentions that the strategy provides the opportunity to '...support the council's commitment to meet both local and national net zero targets.'

2f What are the body's top 5 priorities for climate change governance, management and strategy for the year ahead?

1. Review and establish a revised governance and delivery model for climate change, energy and resilience, informed by the strategic direction approved by Council in March 2026 and cross-service engagement. This will support effective governance, collaboration and delivery across the organisation, ensuring climate change, energy and resilience priorities are embedded within service planning and decision-making.
2. Progress implementation of the strategic approach to climate change, energy and resilience approved by Council in March 2026, ensuring delivery is aligned with Scotland's Climate Change Plan 2026-2040, the revised Public Bodies Climate Change Duties statutory guidance (March 2026), and emerging local priorities, opportunities and risks.
3. Continue the development of the Council's carbon budgeting approach, including establishment of a robust organisational emissions baseline, enhanced carbon reporting and forecasting capability, and the governance and methodological frameworks required to support the introduction of service-level carbon budgets and emissions reduction trajectories.
4. Strengthen the Climate Change Impact Assessment (CCIA) process to improve the integration of climate mitigation, adaptation and resilience considerations within decision-making. This will include implementation of improvements to guidance, training, quality assurance, monitoring and reporting arrangements, and continued integration with the Council's wider impact assessment processes.
5. Build on the findings of the Lifecycle Carbon Analysis (LCA) Pilot to strengthen the integration of whole-life carbon considerations within capital investment, procurement and asset management decision-making. This will include development of the systems, data and governance arrangements required to support lifecycle carbon assessment across the Council's capital programme.

2g Has the body used the Climate Change Assessment Tool (a) or equivalent tool to self-assess its capability / performance?

The Climate Change team conducted a trial of the CCAT tool in 2015 and a session using the tool was held with the Senior Management Team in May 2018. As referenced in section 4, during the reporting year, Highland Council has

continued its Adaptation Benchmarking process with support from Adaptation Scotland's Capability Framework.

The Net Zero Strategy, approved in June 2023, sets out the following priority actions:

- The Council will adopt Zero Waste Scotland's Climate Change Assessment Tool to establish an annual self-assessment of our performance to date and to ensure we comply with the Climate Change (Scotland) Act 2009 to meet carbon emissions reduction targets and report to the Scottish Government.
- An annual audit will be undertaken to review progress against the Strategy and Delivery Plan.

Since the Strategy's approval, the Council has undertaken two audits:

An audit, published in September 2023, focused on the plans the Council has put in place to ensure that it meets its obligations as set out in Climate Change duties:

https://www.highland.gov.uk/download/meetings/id/82235/4f_deputy_chief_executive_s_%E2%80%933_climate_change_plans_and_implementation_limited_assurance

An audit, published in November 2025, looked to ensure that processes were in place to identify external funding streams relating to net zero deliverables, with awareness of these across key staff to ensure the Council was well placed to maximise access to external funding. The audit also assessed how well external funding streams were integrated with existing capital schemes and governance arrangements. The audit found that while there were strong foundations in place for identifying and managing funding opportunities, there was scope for improvement in coordination, data sharing, and learning dissemination in relation to funding opportunities and applications.

<https://www.highland.gov.uk/download/meetings/id/85912/Item%25203%2520-%2520Internal%2520Audit%2520Reviews%2520and%2520Progress%2520Report>

2h Supporting information and best practice

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Part 3: Corporate Emissions, Targets and Project Data

3a Emissions from the start of the year which the body uses as a baseline (for its carbon footprint) to the end of the report year

Reference year	Year	Year type	Scope 1	Scope 2	Scope 3	Total	Units
Baseline Year	2011/12	Financial/Calendar/Other	24,913.00	37,031.00	4,635.00	66,579.00	tCO ₂ e
Year 1 carbon footprint	2012/13	Financial/Calendar/Other	25,218.00	38,234.00	4,218.00	67,670.00	tCO ₂ e
Year 2 carbon footprint	2013/14	Financial/Calendar/Other	21,024.00	37,858.00	4,519.00	63,401.00	tCO ₂ e
Year 3 carbon footprint	2014/15	Financial/Calendar/Other	20,847.00	38,722.00	4,274.00	63,843.00	tCO ₂ e
Year 4 carbon footprint	2015/16	Financial/Calendar/Other	22,629.00	39,323.00	4,088.00	66,040.00	tCO ₂ e
Year 5 carbon footprint	2016/17	Financial/Calendar/Other	20,899.00	36,969.00	4,153.00	62,021.00	tCO ₂ e
Year 6 carbon footprint	2017/18	Financial/Calendar/Other	21,226.00	24,983.00	7,416.00	53,625.00	tCO ₂ e
Year 7 carbon footprint	2018/19	Financial/Calendar/Other	19,849.00	19,946.00	5,281.00	45,076.00	tCO ₂ e
Year 8 carbon footprint	2019/20	Financial/Calendar/Other	18,493.00	17,533.00	4,596.00	40,622.00	tCO ₂ e
Year 9 carbon footprint	2020/21	Financial/Calendar/Other	16,593.00	12,504.00	3,300.40	32,397.40	tCO ₂ e
Year 10 carbon footprint	2021/22	Financial/Calendar/Other	18,688.70	11,480.20	3,597.40	33,766.30	tCO ₂ e
Year 11 carbon footprint	2022/23	Financial/Calendar/Other	20,884.88	11,415.37	4,401.85	36,702.09	tCO ₂ e
Year 12 carbon footprint	2023/24	Financial/Calendar/Other	18,283.13	11,787.57	3,158.71	33,229.41	tCO ₂ e
Year 13 carbon footprint	2024/25	Financial/Calendar/Other	20,477.22	11,672.25	2,743.34	34,892.81	tCO ₂ e
Year 14 carbon footprint	2025/26	Financial/Calendar/Other	21,248.39	10,231.25	2,658.23	34,137.88	tCO ₂ e

3b Breakdown of emission sources

Emission Type	Emission source	Scope	Consumption data	Units	Emission factor	Units	Emissions (tCO ₂ e)	Comments
Bioenergy	Wood pellets	Scope 1	34,849,142	kWh	0.01150	kg CO ₂ e/kWh	400.76513	Heat from Biomass
Electricity	Electricity: UK	Scope 2	49,428,407	kWh	0.17700	kg CO ₂ e/kWh	8748.82804	Buildings
Electricity	Electricity: UK	Scope 2	8,375,262	kWh	0.17700	kg CO ₂ e/kWh	1482.42137	Street Lighting
Electricity	Transmission and distribution - Electricity: UK	Scope 3	49,428,407	kWh	0.01853	kg CO ₂ e/kWh	915.90838	Buildings
Electricity	Transmission and distribution - Electricity: UK	Scope 3	8,375,262	kWh	0.01853	kg CO ₂ e/kWh	155.19360	Street Lighting
Fuels	Burning oil (Kerosene)	Scope 1	1,312,275	kWh	0.24677	kg CO ₂ e/kWh	323.83010	Heating, road maintenance, cylinders
Fuels	Diesel (average biofuel blend)	Scope 1	1,883,300	litres	2.57082	kg CO ₂ e/litres	4841.62531	exc. Bus Project / Bus Ops ** 1,645,332 AllStar
Fuels	Diesel (average biofuel blend)	Scope 1	264,181	litres	2.57082	kg CO ₂ e/litres	679.16180	In House Bus Project and Bus Operations (AllStar)
Fuels	Gas oil	Scope 1	12,838,333	kWh	0.25650	kg CO ₂ e/kWh	3293.03241	Class D
Fuels	Gas oil	Scope 1	1,177,721	kWh	0.25650	kg CO ₂ e/kWh	302.08544	Class A2
Fuels	LPG	Scope 1	6,803,504	kWh	0.21450	kg CO ₂ e/kWh	1459.35161	LPG off grid gas alternative
Fuels	Marine gas oil	Scope 1	246,514	litres	2.77139	kg CO ₂ e/litres	683.18643	Corran Ferry - Public Ferry Service (2,637,698kWh Gas Oil Class D)
Fuels	Natural gas	Scope 1	27,140,376	kWh	0.18296	kg CO ₂ e/kWh	4965.60319	
Fuels	Petrol (average biofuel blend)	Scope 1	133,721	litres	2.06916	kg CO ₂ e/litres	276.69110	Fleet Use
Homeworking	Homeworking (office equipment + heating)	Scope 3	1,169,700	FTE Working Hour	0.33378	kg CO ₂ e/FTE Working Hour	390.42247	8,795 FTE minus 62% (school/social care). 25% estimate WFH. 7h/day, 200 annualised days/FTE
Transport - car	Average car - Unknown	Scope 3	179,711	miles	0.26915	kg CO ₂ e/miles	48.36922	Car Hire - Travel Desk
Transport - car	Average car - Unknown	Scope 3	2,187,309	miles	0.26915	kg CO ₂ e/miles	588.71422	Grey Fleet (mileage reimbursement) - THC
Transport - car	Average car - Unknown	Scope 3	890,106	miles	0.26915	kg CO ₂ e/miles	239.57203	Car Club

[illegible]

3c

Generation, consumption and export of renewable energy

Technology	Renewable Electricity		Renewable Heat		Comments
	Total consumed by the body (kWh)	Total exported (kWh)	Total consumed by the body (kWh)	Total exported (kWh)	
Biomass	-	-	34,849,142	-	Actual heat consumption data
Ground Source Heat Pump	-	-	214,552	-	Estimate based on sites regularly measured.
Solar PV	1,240,458	-	-	-	Actual generation data
Wind	10,000	-	-	-	Estimated – Unmetered solution for Off-Grid schools
Hydro	131,109	-	-	-	Hydro Ness

3d Organisational targets

Name of target	Type of target	Target	Units	Boundary/scope of target	Year used as baseline	Baseline figure	Units of baseline	Target completion year	Progress against target	Comments
Carbon emission reduction target	Percentage	75	total % reduction	Other (please specify in comments)	2011/12	66,579	tCO ₂ e	2029/30	34,290	Scope 3 emissions associated with procurement are not included at present
Carbon emission reduction target	Percentage	90	total % reduction	Other (please specify in comments)	2011/12	66,579	tCO ₂ e	2039/40	34,290	Scope 3 emissions associated with procurement are not included at present
Net Zero	Percentage	100	total % reduction	Other (please specify in comments)	2011/12	66,579	tCO ₂ e	2044/45	34,290	As above. The net zero target will also require options for sequestration.

3da How will the body align its spending plans and use of resources to contribute to reducing emissions and delivering its emission reduction targets?

The Council continues to embed climate change considerations within its financial planning, governance arrangements and decision-making processes to ensure spending and resource allocation contribute to the delivery of its emissions reduction targets.

The Council's Net Zero Strategy includes the following priority actions in relation to embedding Net Zero/Climate Change into decision-making processes:

- Adopt carbon budgeting across the organisation and introduce service-level targets.
- Climate Change Impact Assessment process in place as part of the decision-making process.
- Strategic allocation of resources that help secure a net zero and climate-resilient Council.
- Align the Scheme of Delegation with the actions set out within the Net Zero Strategy.

The Council's Net Zero Programme is focused on developing and delivering projects that will reduce emissions, increase operational efficiencies and deliver budget savings.

Staff Resource

The Council has established a dedicated Climate Change and Energy Team to provide specialist support, coordinate delivery of the Net Zero, Adaptation Strategy and Net Zero, Energy, Investment and Innovation Portfolio and assist services in identifying, developing and implementing carbon reduction projects.

CCIA

The CCIA was introduced in July 2024 as a core component of the Integrated Impact Assessment (IIA) tool. The CCIA aims to ensure that proposals are assessed for their impact on emissions, biodiversity, and resilience, enabling informed decisions and appropriate mitigation or adaptation actions.

All completed assessments are published and referenced within Committee reports, helping to ensure that climate impacts are visible and transparent at the point of decision-making.

Carbon Budgets

The Council is also improving its understanding of the emissions associated with procurement expenditure. Following on from a pilot with Eden Seven to test the

potential application of the cero.earth carbon-data management platform, approval was secured to progress a managed engagement with Eden Seven to capture procurement spend data and estimate associated greenhouse gas emissions. This will improve the Council's ability to align expenditure with climate objectives, monitor the carbon impacts of spend and identify opportunities to reduce supply chain emissions. In addition, this work will support development of service carbon budgets, emissions reduction trajectories and improved reporting of procurement-related emissions, helping strengthen the evidence base for future climate and procurement decision-making.

KPIs

A key milestone within the Net Zero Programme is the development of whole-Council Key Performance Indicators (KPIs). These will support greater accountability for delivery of the Net Zero Strategy by embedding measurable outcomes across relevant services and strengthening reporting, monitoring and ownership of climate objectives throughout the organisation. The development of the KPI framework is closely linked to the review of governance arrangements and the establishment of a sustainable long-term delivery model for climate change, energy and resilience activity.

Capital Programme

Work has been ongoing to establish a process for measuring and monitoring embodied, operational and maintenance carbon emissions within capital projects, with a view to informing decision-making and reducing Council emissions.

During the report year, the Council undertook a pilot to evaluate life-cycle assessment (LCA) tools and explore how whole-life carbon assessment could be embedded within the Capital Programme. The pilot also considered how LCA tools could integrate with existing project and asset management systems and explored options for developing an in-house life-cycle assessment capability over time. This capability would enable options appraisals and inform decisions, allowing the council to identify lower-carbon choices and reduce emissions associated with capital programme procurement activity.

The lessons learned informed an approach approved by the Net Zero, Energy Investment & Innovation Portfolio Board in March 2026. This comprised of integrating key project, cost and asset management systems, utilising external life-cycle assessment consultancy during a transitional period, developing internal capability, and the provision of governance and oversight through the Climate Change and Energy Team.

Embedding whole-life carbon assessment within the Capital Programme will strengthen the Council's ability to consider carbon impacts alongside cost, performance and asset management considerations when planning and delivering future capital investment.

The Council has also been developing a Net Zero and Sustainability Design Standard to support the delivery of low-carbon, energy-efficient and climate-resilient new build and refurbishment projects delivered by the Council. The draft Standard draws heavily on the Scottish Futures Trust Net Zero Public Sector Buildings Standard and has been informed by the Council's emerging net zero and climate adaptation priorities.

The Standard is being developed through cross-service collaboration and review of current legislation, policy and industry best practice. The Standard will support greater integration of climate change, energy and sustainability considerations into project development, capital investment and asset management decision-making processes across the Council.

Sustainable Procurement

The Council's procurement policies support compliance with climate change duties through the Joint Procurement Strategy 2023-2026, the Procurement Manual, the Sustainable Procurement Duty and associated governance arrangements. The Joint Procurement Strategy includes a dedicated theme on Climate Change, Net Zero and Circular Economy and commits procurement activity to supporting climate adaptation, climate resilience, biodiversity and circular economy outcomes. The Strategy also states that climate considerations should be addressed throughout the procurement lifecycle, including identification of need, specification development, selection and award stages and contract management. Progress against these commitments is reported through the Strategic Procurement Board and Annual Procurement Reports.

Net Zero, Energy, Investment and Innovation Portfolio

The Council's Delivery Plan "Our Future Highland" (2024–2027) includes Net Zero, Energy, Investment and Innovation (NZEII) as one of six core portfolio themes. This ensures that climate action is not siloed but embedded within the Council's broader transformation agenda.

The Delivery Plan commits the Council to delivering its Net Zero ambitions and enabling place-based planning for future energy capacity and security. This will be achieved by:

- Ensuring Highland Council is an organisation that models best practice in achieving Net Zero emissions, managing to reduce its consumption of energy.
- Expanding the means by which we can generate and distribute energy, using new technologies, enabling renewable sources and meeting the needs of residents and visitors.
- Maximising the commercial opportunities available to the council to generate income from energy creation and distribution.
- Fostering strategic investment in energy initiatives and consolidating the importance of the region in enabling national energy security, releasing income streams and ensuring returns on investment.

The NZEI Portfolio comprises twelve programmes and projects grouped under three strategic workstreams:

- **Net Zero Delivery:** Net Zero Programme, Heat Networks
- **Energy Estate:** Energy Efficient Council, Solar PV Council Estate, Energy Billing Management, Energy Efficient Homes
- **Investment and Innovation:** Battery Storage, Utility Scale Solar PV, Solar PV Commercial Estate, EV Infrastructure, Longman Green Energy Hub (Joint Venture), Investment Pipeline

The Net Zero, Energy, Investment and Innovation Portfolio drives the Council's ambitious agenda toward achieving Net Zero and becoming a climate-ready organisation.

3db How will the body publish, or otherwise make available, it's progress towards achieving its emission reduction targets?

All progress is made available through Committee reporting. The link to Climate Change Committee papers can be found here:

https://www.highland.gov.uk/info/20003/committee_information/1001/climate_change_committee

3e Estimated total annual carbon savings from all projects implemented by the body in the report year

Emissions source	Total estimated annual carbon savings (tCO ₂ e)	Comments
Electricity	309	Incl Salix projects (LED and PV), NZA behaviour change measures (electricity) & CHP
Natural gas	34	Incl NZA behaviour change measures (natural gas)

Other heating fuels	70	Incl NZA Behaviour change measures (LPG, biomass and gas oil)
Water and sewerage	1	
Fleet transport	88	Transitioning the Light Fleet (41 hybrid vans to replace diesel equivalents)
Total	502	

3f Detail the top 10 carbon reduction projects to be carried out by the body in the report year

Project name	Funding source	First full year of CO ₂ e savings	Are these savings figures estimated or actual?	Capital cost (£)	Operational cost (£/annum)	Project lifetime (years)	Primary fuel/emission source saved	Estimated carbon savings per year (tCO ₂ e/annum)	Estimated costs savings (£/annum)	Behaviour Change	Comments
LED - new fitting - Miller Academy, Lochinver & Achiltibuie PS - LED Upgrade	Salix & Internal Funding	26/27	Estimated	£172,977		25	Electricity: UK	7.27	£9,032	No	
Solar PV - Deshar PS Solar PV	Salix & Internal Funding	26/27	Estimated	£25,797		25	Electricity: UK	3.55	£4,059	No	
LED - new fitting - IRA LED Pitches	Salix & Internal Funding	26/27	Estimated	£50,325		25	Electricity: UK	2.87	£3,565	No	
LED - new fitting - Inverness LC All Weather Pitch	Salix & Internal Funding	26/27	Estimated	£29,975		25	Electricity: UK	2.77	£3,444	No	
LED - new fitting - Charleston Academy Pitch - LED Upgrade	Salix & Internal Funding	26/27	Estimated	£17,655		25	Electricity: UK	0.36	£379	No	
LED - new fitting - Dingwall County Buildings - LED Upgrades	Salix & Internal Funding	26/27	Estimated	£81,842		25	Electricity: UK	3.9	£4,846	No	
LED - new fitting - Inverness Rugby Club Pitch - LED Upgrade	Salix & Internal Funding	26/27	Estimated	£43,065		25	Electricity: UK	1.02	£1,264	No	
Street Lighting LED Replacement - Street Lighting Lot 5	Salix	26/27	Estimated	£583,240		25	Electricity: UK	126.57	£50,549	No	
Net Zero Audits - Behaviour Change Recommendations (Electricity)	N/A	27/28	Estimated	£-	£-	10	Electricity: UK	8.36	£10,238	Yes	
Net Zero Audits - Behaviour Change	N/A	27/28	Estimated	£-	£-	10	Wood chips	10.12	£35,878	Yes	

Project name	Funding source	First full year of CO ₂ e savings	Are these savings figures estimated or actual?	Capital cost (£)	Operational cost (£/annum)	Project lifetime (years)	Primary fuel/emission source saved	Estimated carbon savings per year (tCO ₂ e/annum)	Estimated costs savings (£/annum)	Behaviour Change	Comments
Recommendations (Biomass)											
Net Zero Audits - Behaviour Change Recommendations (Oil)	N/A	27/28	Estimated	£-	£-	10	Gas oil	51.99	£14,780	Yes	
Net Zero Audits - Behaviour Change Recommendations (Gas)	N/A	27/28	Estimated	£-	£-	10	Natural gas	34.28	£10,782	Yes	
Net Zero Audits - Behaviour Change Recommendations (LPG)	N/A	27/28	Estimated	£-	£-	10	LPG	7.58	£2,806	Yes	
Nairn Leisure Centre - pool water control upgrades	Business Stream Water Efficiency Fund	27/28	Estimated	£5,423	£-	10		1.38	£6,451	No	Water saving
Inverness Leisure CHP	Internal funding	27/28	Estimated	£32,168	£25,516	10	Electricity: UK	151.84	£142,934	No	
Transitioning the Light Fleet	N/A	26/27	Estimated		£267,986.00		Diesel (average biofuel blend)	88	£40,000.00	No	Procurement to replace 41 diesel class III light commercial vans (leased) with plug-in hybrid equivalents - est. 10,000 miles/year/vehicle

3g Estimated decrease or increase in the body's emissions attributed to factors (not reported elsewhere in this form) in the report year

(blank)

3h Anticipated annual carbon savings from all projects implemented in the year ahead

Emissions source	Total estimated annual carbon savings (tCO ₂ e)	Comments
Electricity	139	Salix funded projects - various
Natural gas	71	NZA Behaviour Change Measures (in progress)
Other heating fuels	32	NZA Behaviour Change Measures (in progress)
Water and sewerage	4	NZA Behaviour Change Measures (in progress)
Electricity	22.17	NZA Behaviour Change Measures (in progress)

3i Estimated decrease or increase in emissions from other sources in the year ahead

(blank)

3j Total carbon reduction savings since the start of the year which the body used as a baseline for its carbon footprint

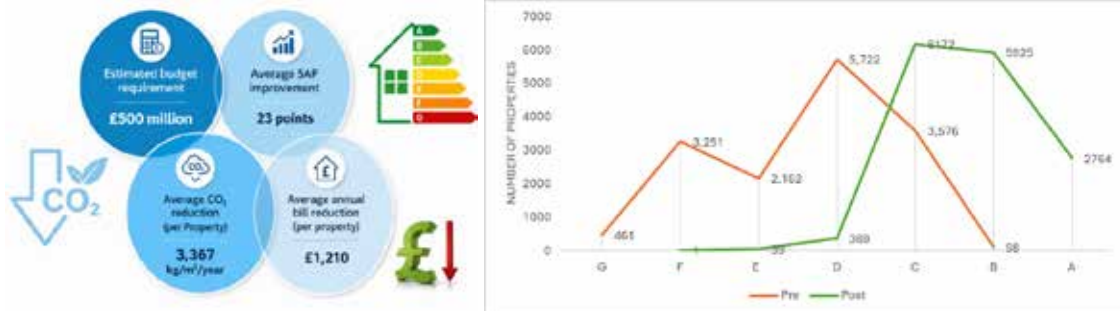
Total savings	Total estimated emissions savings (tCO ₂ e)	Comments
Total project savings since baseline year	32,441.12	Total difference in emissions from all factors (not limited to projects alone)

3k Supporting information and best practice

15,000<1 project - A desktop modelling exercise was conducted to identify energy efficiency measures and assess the impact of undertaking improvements to Council properties. Using housing stock data and standard EPC assessment methodologies, the analysis modelled a range of retrofit scenarios, including insulation upgrades, heating system improvements, and renewables.

The objective was to estimate potential improvements in EPC ratings, reductions in carbon emissions, and energy bill savings. These outcomes contribute to tackling fuel poverty and enhancing tenant comfort across the region.

Below images show Impact of identified energy efficiency improvements for council properties, and Pre and post epc overview for council properties;



Part 4: Adaptation

4a Has the body assessed current and future climate-related risks?

The Highland Council has undertaken assessment of both current and future climate-related risks and opportunities affecting Council services, assets, infrastructure and communities. A key commitment within the Council's Climate Change Adaptation Strategy, approved in September 2025, and the adaptation section of the Council's Net Zero Strategy, is the identification and prioritisation of climate-related risks and opportunities across Council operations through the development of a Corporate Climate Risk and Opportunity Assessment (CR&OA). This work is informed by national, regional and local evidence and is being used to support development of the Council's Climate Change Adaptation Action Plan.

Climate-related risks are incorporated within the Council's Corporate Risk Register, which is reviewed and reported to the Audit Committee on a quarterly basis. Current corporate risks include:

- Civil Contingencies - Flooding (HCR6)
- Civil Contingencies - Severe Weather (HCR7)
- Civil Contingencies - National Power Outage (HCR5)
- Provision of Safe and Effective Property (HCR2)
- Net Zero Targets (HCR9)

Current climate-related risks are also identified and assessed through flood risk management activities, emergency planning arrangements, resilience planning processes and service-level risk management activities. These assessments consider hazards already affecting Highland including flooding, coastal erosion, sea level rise, severe weather and storms, power outages, infrastructure disruption and impacts on ecosystems and communities.

The regional Highland Climate Change Risk and Opportunity Assessment (HCCROA) was undertaken by Highland Adapts during 2025 and published in March 2026. Highland Adapts brings together public sector organisations, businesses, communities and regional stakeholders to develop a shared understanding of climate-related risks and opportunities across the Highlands. As a founding partner and Board Member of Highland Adapts, the Council has utilised the HCCROA as the primary regional evidence base to inform its own assessment of current and future climate-related risks. The HCCROA provides a regional assessment of climate risks and opportunities from the present day through to the 2050s and 2080s.

The assessment considered 50 climate-related risks and opportunities across five themes:

- Built Environment
- Health and Wellbeing
- Infrastructure
- Community and Economy; and
- Land, Nature and Food.

The HCCROA identified a range of significant current and future risks for Highland, including flooding, coastal change, severe weather, heat, drought, wildfire, reduced water availability, health impacts, risks to public finances, infrastructure disruption, ecosystem degradation, food security and impacts on agriculture, fisheries and forestry. Many of these risks were assessed as increasing significantly under future climate scenarios and were identified as priorities for collaborative adaptation action across the region.

The Highland Adapts Economic Assessment identified significant future risks relating to regional economic performance, infrastructure, public finances, energy systems, food and drink production, forestry and timber, labour productivity and community resilience. The assessment highlighted that unmanaged climate risks could have significant implications for the Highland economy over coming decades and demonstrated the importance of adaptation alongside emissions reduction.

In 2025/26, the Council utilised the findings of the Highland Adapts Economic Assessment of Climate Change Impacts (2024) and the Highland Climate Change Risk and Opportunity Assessment (HCCROA), published in March 2026, as key evidence sources to inform its understanding of future climate-related risks and opportunities. The findings informed the Council's Climate Change, Energy and Community Resilience Strategic Paper approved in March 2026 and are continuing to support development of the Council's Corporate Climate Risk and Opportunity Assessment and Climate Change Adaptation Action Plan.

The Council's Regional Coastal Change Adaptation Plan (CCAP), approved in May 2025, provides a strategic assessment of current and future risks

associated with sea level rise, coastal erosion and coastal flooding across the Highland Council area. The assessment identifies those communities and assets that are deemed to be least resilient to climate change and identifies 34 locations requiring further investigation and development of Local Coastal Change Adaptation Plans (Local CCAPs). The Regional CCAP applies an adaptive pathways approach to support long-term coastal resilience, inform future decision making and help coastal communities adapt to future change over time. The Council uses Dynamic Coast evidence and research, alongside other national and local datasets, to inform coastal adaptation planning and risk assessment.

Assessment Methodology, Tools and Stakeholder Engagement

The Council's assessment of current and future climate-related risks draws upon a range of evidence sources, risk assessment tools and adaptation frameworks, including:

- UK Climate Change Risk Assessment (CCRA)
- UK Climate Projections 2018 (UKCP18)
- Scottish National Adaptation Plan (SNAP3)
- Adaptation Scotland Capability Framework
- Highland Adapts Economic Assessment of Climate Change Impacts
- Highland Climate Change Risk and Opportunity Assessment (HCCROA)
- Regional Coastal Change Adaptation Plan; and
- Flood Risk Management Plans.

These assessments are supported by wider evidence and research referenced within the Council's Climate Change Adaptation Strategy, including climate projection data, local climate impact information and supporting guidance from Adaptation Scotland.

The Council aligned its methodology and approach with the HCCROA to ensure consistency between regional and corporate climate risk assessment processes. The HCCROA combined scientific data, economic analysis, regional expertise and lived experience to assess climate-related risks and opportunities affecting the Highland region from the present day through to the 2050s and 2080s. Risks were evaluated according to their current and future magnitude, urgency and the need for regional collaboration, including consideration of systemic and cascading risks across interconnected infrastructure and services.

The HCCROA was developed through extensive regional collaboration involving public bodies, businesses, communities and regional stakeholders.

During the reporting period, Highland Council undertook a programme of cross-service workshops involving 75 staff from across Council services. The purpose of this engagement was to enable services to consider how climate-related risks and opportunities identified through the HCCROA affect their service delivery,

responsibilities and operational resilience, ensuring that the Council's assessment reflects the practical realities of service delivery whilst using the HCCROA as a shared regional evidence base and identifying Council-specific risks, vulnerabilities and adaptation priorities.

The Council's Resilience Team works with NHS Highland, SEPA, Police Scotland, the Scottish Fire and Rescue Service and neighbouring local authorities to assess risks, identify capability gaps and improve understanding of climate-related emergencies and severe weather impacts.

Use of Risk Assessment findings

The findings of the Highland Adapts Economic Assessment and the HCCROA are being used to inform development of the Council's Corporate Climate Risk and Opportunity Assessment and Climate Change Adaptation Action Plan. Once completed, the Corporate Climate Risk and Opportunity Assessment will provide a Council-wide evidence base to support adaptation planning and prioritisation, ensuring that climate risks and opportunities are increasingly embedded within service planning, asset management, infrastructure planning, capital investment, business continuity and wider decision-making processes across the organisation.

4b What arrangements does the body have in place to manage climate-related risks?

The Highland Council has a range of strategic, operational and governance arrangements in place to identify, assess and manage climate-related risks. These arrangements support both climate change adaptation and mitigation and are embedded across planning, infrastructure management, flood risk management, biodiversity, emergency planning, community resilience and corporate decision-making.

Climate Change Impact Assessment

Climate Change Impact Assessments (CCIAs) are integrated into the Council's decision-making processes to ensure that climate, biodiversity, resilience and adaptation impacts are considered when developing policies, strategies, projects and service changes. The assessment is embedded within the Council's Integrated Impact Assessment process and supported by guidance and training for staff.

Regional Activity

The Council continues to support Highland Adapts, which provides a regional partnership framework for climate adaptation and resilience across Highland. The initiative brings together public sector organisations, businesses, land managers and communities to strengthen understanding of climate risks and

opportunities, develop a shared evidence base, and support coordinated adaptation and resilience activity across the region.

Planning / Highland Local Development Plan

As the statutory planning authority for the Highland area, the Council plays a key role in managing climate-related risks through the planning system. Climate change considerations are integrated into development planning and development management processes, with planning policies and planning applications assessed against national and local climate-related policies and objectives to support climate resilience and Scotland's climate goals.

During 2025/26, work continued on preparing a new Highland Local Development Plan (HLDP) aligned with National Planning Framework 4 (NPF4), including the gathering and analysis of evidence on climate change, adaptation, energy, biodiversity, flood risk and coastal change as part of the preparation of the HLDP Evidence Report. The Economy and Infrastructure Committee considered and endorsed substantive components of the HLDP Evidence Report during November 2025 and February 2026, and approved by full Council in June 2026. The Evidence Report was submitted to Scottish Ministers for Gate Check in July 2026 and subsequently withdrawn in August 2026, with resubmission planned for late November 2026. The Development Plans Team are progressing the preparation of the Proposed Plan, informed by evidence on climate change, adaptation, flood risk, coastal change and biodiversity.

Highland Council's Ecology Strategy and Action Plan

The Council's Ecology Strategy and Action Plan (2024) provides a framework for the Council's response to the ecological emergency and associated climate impacts. The Strategy includes actions under leadership, making space for nature, planning, pollution and chemical use, communication, training and education and data management. The Strategy will be reviewed and updated in 2026/27.

Flood Risk Management

Flood risk management remains a significant adaptation priority. The Flood Risk Management Team operates a risk-based programme of watercourse inspections and maintenance activities to reduce flood risk and support resilience to flooding. The Council's Local Flood Risk Management Plans 2022-2028 sets out actions to understand and manage flood risks from all sources while improving resilience to future climate impacts. The Flood Risk Management Policy, approved in May 2024, aligns with the Flood Risk Management (Scotland) Act 2009 and strengthens the Council's approach to managing flood risk.

The Flood Risk Management Team is progressing Flood Protection Studies, with assessments incorporating future climate change scenarios when evaluating flood risk. The Council has developed a Regional Surface Water Management Plan which identifies priority areas for future investment and intervention and

improves understanding of surface water flood risks across Highland. Flood risk management activity also includes property-level resilience measures, community flood warning systems, blue-green infrastructure and nature-based approaches to flood management.

Coastal Change Adaptation

Coastal change adaptation is an increasingly important component of the Council's climate risk management arrangements. The Council has developed a Regional Coastal Change Adaptation Plan (CCAP), which provides a framework for addressing risks associated with sea level rise, coastal erosion and flooding, and guides the prioritisation of Local Coastal Change Adaptation Plans for locations facing the greatest climate-related coastal risks.

Highlands and Islands Local Resilience Partnership

As a member of the Highlands and Islands Local Resilience Partnership (HILRP), the Council works collaboratively with emergency responders and partner organisations to anticipate, plan for, respond to and recover from disruptive events, including severe weather, flooding, wildfire and drought. These arrangements are regularly tested through exercises and real incidents. The HILRP sits within the North of Scotland Regional Resilience Partnership, which maintains the Community Risk Register and reviews regional risks annually.

Community Resilience

Community resilience is an important element of the Council's wider resilience and adaptation activity. Through the Emergency Planning Team - in partnership with other relevant Council services - the Council supports communities to understand local risks, strengthen preparedness and develop Community Resilience Plans. A Community Resilience Planning Tracker has been established to maintain oversight of resilience planning activity across Highland, helping identify vulnerabilities, monitor preparedness and target support where required. The Council also works with partners through the North of Scotland Community Resilience Network and the Highlands and Islands Climate Hub to share good practice, support community preparedness and strengthen resilience across the region. Community resilience activity is further supported through place-based planning approaches, including Community Partnerships, Area Place Plans and Local Place Plans, which provide opportunities for communities to identify local priorities and influence future planning and investment decisions. In a number of areas, these priorities include flooding, coastal erosion, community resilience, climate adaptation and nature-based solutions.

Corporate Planning

At a corporate level, the Council maintains a General Emergency Plan, Corporate Risk Assessments, Service Business Continuity Plans and a Corporate Business Continuity Plan to support the continuation of critical services during disruption, including climate-related events. These arrangements help ensure the Council can respond to, manage and recover from incidents that affect service delivery

and communities across Highland. Public awareness and individual preparedness are also promoted through Council communications and resilience awareness campaigns, helping residents understand potential disruptions and the actions they can take to prepare for severe weather and other disruptive events.

Risk and Resilience Governance

To strengthen organisational oversight, the Council merged its Resilience Group and Corporate Risk Management Group in 2025 to establish a combined Risk and Resilience Group. In parallel, work is progressing through the Highland Outcome Improvement Plan Community Safety and Resilience Group to strengthen strategic governance arrangements for community resilience. Proposals are being developed for a Community Resilience Strategic Oversight Group and a Highland Community Resilience Strategy, which will improve coordination between public sector organisations, emergency responders, utilities, third sector partners, community planning partners and climate adaptation organisations, helping to strengthen the integration of resilience and adaptation within community planning.

4c What action has the body taken to adapt to climate change?

Building Adaptive Capacity and Delivering Adaptation Activity

Strategic Leadership and Organisational Capacity

Highland Council continues to build adaptive capacity across the organisation and wider Highland region through the development of climate adaptation policies, partnerships, strategies and community resilience initiatives.

During 2025/26, the Council agreed a strategic framework for climate change, energy and community resilience, recognising the need for a coordinated, place-based approach across climate adaptation, climate mitigation and wider resilience activity. The approach emphasises the importance of aligning housing, infrastructure, environmental management, community resilience and investment planning to strengthen long-term resilience across Highland communities and services.

The Council has increased organisational capacity to respond to climate and ecological challenges through dedicated staffing and specialist expertise. During 2025/26, additional ecology and forestry expertise was secured to provide advice on development proposals and a Nature Conservation Officer secured to provide direct support for the delivery of the Ecology Strategy and Action Plan, including developing a Greenspace Biodiversity Management Plan for Council operations and to lead on the new Highland Biodiversity Action Plan. A dedicated full-time

Climate Change Co-ordinator post, established in April 2024, continued to lead adaptation-related workstreams during 2025/26.

During 2025/26, the Council approved its Climate Change Adaptation Strategy, establishing a framework for building resilience to climate change across Council services, infrastructure, communities and the natural environment. The Strategy identifies six priority themes for action and commits to the development of a Corporate Climate Risk and Opportunity Assessment and associated Climate Change Adaptation Action Plan to support implementation.

The Council also continues to support Highland Adapts through its role as a founding partner and Board member, contributing to development of the Partnership Strategy 2026-27 and supporting collaborative regional action on climate adaptation and resilience.

Work during 2025/26 focused on the development of a draft Net Zero and Sustainability Design Standard to support new-build and refurbishment projects across the Council estate. The Standard is intended to ensure that climate mitigation, adaptation and resilience considerations are systematically incorporated into project design, delivery and operation, helping to embed long-term climate resilience within Council assets.

Nature-Based Adaptation and Ecological Resilience

Nature-based adaptation continues to be a key component of the Council's response to climate change. The Council continues to progress implementation of its Ecology Strategy and Action Plan, which seeks to increase organisational capacity and resources to address the ecological emergency while supporting adaptation to climate change impacts. Activities include development of Nature Network mapping, identification and designation of Local Nature Conservation Sites, biodiversity enhancement initiatives and preparatory work for a new Highland Forestry and Woodland Strategy which is expected to be ready for adoption in early 2027.

During 2025/26, the first phase of Nature Network mapping was completed, identifying connections between nationally important sites across Highland and supporting the development of Nature Networks to strengthen ecological connectivity. The Council also continues to build adaptation capacity through investment from the Nature Restoration Fund (NRF), which during 2025/26 supported Nature Network development, woodland management planning, habitat restoration, greenspace management improvements, biodiversity enhancement projects and the continuation of a dedicated Nature Network Officer post. Collectively, these activities help strengthen ecosystem resilience,

improve ecological connectivity and support adaptation to climate change impacts.

During 2026/27, the Council developed a draft Greenspace Biodiversity Management Strategy 2026-2030 to provide a structured framework for managing Council-owned greenspace to conserve, protect and enhance biodiversity. The Strategy establishes principles, objectives and targets for biodiversity enhancement across Council-owned assets, including parks, burial grounds, roadsides, countryside sites, schools, buildings and allotments. It supports implementation of the Council's Ecology Strategy and Action Plan and provides a framework for the development of future site-specific management plans across the Council estate. The Strategy recognises the role that Council-owned greenspaces can play in increasing ecological and climate resilience, supporting ecosystem services and contributing to nature recovery.

The Council also continues to support adaptation through peatland restoration, biodiversity enhancement and landscape-scale nature recovery initiatives through its role in the Flow Country Partnership and as accountable body for The Flow Country World Heritage Site alongside NatureScot. During 2025/26, work progressed on updating the World Heritage Site Management Plan and preparing associated planning guidance, including the updated Planning Position Statement and Heritage Impact Assessment Toolkit published in June 2025. These activities support the long-term protection and resilience of internationally important blanket bog habitats, biodiversity and carbon stores, while helping to inform future planning and land management decisions affecting the Site and its setting. Additional capacity was also established through the appointment of a World Heritage Site Co-ordinator and Flow Country Partnership Manager to support governance, partnership working and delivery of the Site's Management Plan.

Community Resilience and Food Systems

The Council continued to implement its Community Food Growing Strategy, Growing Our Future (2022-2027), which aims to support resilient, empowered and connected communities through increased access to food growing opportunities, allotments and community growing spaces. During 2025/26, work continued to identify land suitable for community food growing, support community-led allotment projects, expand growing opportunities in schools and strengthen delivery through partnership working with the Highland Good Food Partnership. Work also continued to support development of a Highland Community Food Growing Network, helping communities access knowledge, resources and support for food growing initiatives. These activities contribute to

community resilience, local food security, sustainability and wellbeing outcomes.

Infrastructure, Housing and Built Environment Resilience

The Council continues to implement its Local Transport Strategy 2025-2035. During 2025/26, a Delivery Plan comprising 138 priority actions was approved to support delivery of a low-carbon, sustainable, inclusive, safe, resilient and accessible transport system across Highland. The Council has also strengthened delivery capacity through the work of the newly established Integrated Transport Team, which has secured substantial external investment to support active travel, public transport and low-carbon transport infrastructure.

The Council continues to strengthen resilience to climate change through delivery of its Local Heat and Energy Efficiency Strategy (LHEES) and associated Delivery Plan. The LHEES provides a long-term framework for improving energy efficiency, reducing fuel poverty and supporting heat decarbonisation across Highland while recognising the significant challenges associated with a large rural geography, an ageing building stock, off-gas grid communities and increasing climate related risks. By taking a place-based approach, the LHEES seeks to ensure that communities are at the heart of the transition to Net Zero while improving the comfort, affordability and resilience of homes and buildings.

Through the LHEES Delivery Plan and its alignment with wider retrofit and energy efficiency programmes, the Council is seeking to improve the resilience of homes and buildings, particularly for households vulnerable to fuel poverty and extreme weather. The Delivery Plan promotes a fabric first approach, in alignment with PAS 2035, which prioritises building performance and integrates climate adaptation and resilience measures into retrofit activity, including improved ventilation, weather protection measures and planned maintenance of building fabric to ensure homes remain comfortable, healthy and resilient in a changing climate.

The Council has been delivering the Energy Efficient Scotland: Area Based Scheme (EES:ABS) programme for over 13 years, securing significant external investment to support eligible households across Highland. The programme aims to improve the energy performance of homes, reduce carbon emissions, lower energy bills and tackle fuel poverty. Through EES:ABS delivery, a range of measures are considered, including insulation, ventilation and heating replacements.

During 2025/26, energy efficiency and retrofit programmes continued across Council and privately owned housing through combination of EES:ABS, SSE Renewables grant and other external funding sources. In addition to reducing

emissions, these projects support improved thermal comfort, help alleviate fuel poverty and contribute to the resilience of homes and communities.

In Caol, 79 properties comprising both Council owned and privately owned homes were upgraded through a whole-house retrofit approach. Measures included external wall insulation, air source heat pumps, solar photovoltaic systems, replacement roofing works, ventilation improvements and other fabric enhancements designed to improve energy efficiency and reduce heat loss. The project has improved thermal comfort, reduced energy demand and strengthened resilience of homes to future climate conditions while helping householders manage rising energy costs.

In Balintore, a mixed-tenure retrofit project delivered substantial improvements to homes through a fabric-first approach, including external wall insulation, new glazing, insulation upgrades, ventilation measures, solar photovoltaic panels and air source heat pumps. Many of the properties involved are off the gas grid and were previously vulnerable to high energy costs and fuel poverty. The project improved the quality, efficiency and resilience of homes while supporting lower carbon emissions and improved living conditions for householders.

Through delivery of the Highland and Argyll Local Flood Risk Management Plan 2022-2028, plus contributing towards delivery of the Findhorn, Nairn and Speyside Local Flood Risk Management Plan 2022-2028, the Council continues to improve understanding of flood risk and strengthen the resilience of communities and infrastructure to the impacts of climate change. Activity during the reporting year included flood studies, surface water management planning, community flood resilience measures and the development of evidence to inform long-term adaptation to increasing flood risk.

In May 2025, the Council approved the Regional Coastal Change Adaptation Plan (CCAP). The Plan supports a long-term adaptive pathways approach to coastal resilience, helping communities, partners and asset owners prepare for and respond to the impacts of sea level rise, coastal erosion and flooding. It also supports the development of Local Coastal Change Adaptation Plans and provides a basis for future adaptation planning and decision-making in locations most vulnerable to climate-related coastal change.

4d Where applicable, what contribution has the body made to helping deliver the Programme?

Outcome 1 - Nature connects across our lands, settlements, coasts and seas

Nature-Based Solutions

- Through the Council's allocation of the Nature Restoration Fund, the Council provided financial support to community-led projects that delivered habitat restoration, woodland regeneration, biodiversity enhancement, wetland creation, native species conservation and ecological connectivity across Highland. Supported projects included dune resilience, rainforest restoration, river restoration, woodland regeneration, pond restoration and wildflower meadow creation.
- Work was undertaken to explore wetland restoration opportunities at Loch a'Chleidh, including hydrological assessment work to investigate stabilisation of water levels and the potential rewetting of historic wetlands. This work highlights the role that nature-based solutions can play in supporting climate resilience, biodiversity recovery and ecosystem health.
- Preparation of the Highland Local Development Plan (HLDP) Evidence Report highlighted the role of nature-based solutions, blue-green infrastructure and natural flood management in supporting climate resilience, nature recovery and adaptation to climate change impacts. Evidence is gathered within Chapter 4: Climate Change and Energy, Chapter 5: Nature and Environment and Chapter 7: Flood Risk Management.

Development Planning

- During 2025/26, preparation of the Highland Local Development Plan (HLDP) Evidence Report strengthened the evidence base relating to biodiversity, nature recovery, natural flood management, peatlands, woodland expansion, ecological connectivity and climate adaptation. Evidence gathered through Chapter 5: Nature and Environment, Chapter 7: Flood Risk Management and Chapter 4: Climate Change and Energy highlighted the important role of natural systems in supporting climate resilience and nature recovery
- During 2025/26, the Ecology Planning Team provided specialist ecological advice on 130 major and national planning applications, helping to secure biodiversity enhancement and appropriate mitigation measures. The Ecology Survey Team also undertook almost 100 ecological surveys and assessments to support Council projects and operations.

Nature Networks

- During 2025/26, the first phase of Nature Network mapping was completed, identifying connections between all '30 by 30' sites across Highland, including Sites of Special Scientific Interest, Special Protection Areas, Special Areas of Conservation and Ramsar sites. The mapping process was informed through extensive stakeholder engagement and is helping to support ecological connectivity and nature recovery across Highland.

- Progress was made in identifying potential Local Nature Conservation Sites (LNCS), including sites supporting rare habitats such as native Caledonian pinewood, Atlantic rainforest and machair, as well as species including Great Crested Newt, Great Yellow Bumblebee and Small Blue Skipper.

Marine, Coastal and the Blue Economy

- Nature Restoration Fund supported coastal habitat restoration and resilience projects, including the Dune Resilience Project in Nairn, helping to strengthen the resilience of coastal habitats to climate change impacts.
- Evidence gathered through the HLDP Evidence Report process highlighted the role of blue-green infrastructure, natural flood management and coastal adaptation approaches in supporting resilience to coastal erosion, flooding and sea level rise, through Chapter 6: Coastal Development and Aquaculture, and Chapter 7: Flood Risk Management.

Natural Carbon Stores and Sinks

- Evidence gathered through the HLDP Evidence Report , especially within Chapters 4 and 5, reinforced the importance of peatlands, woodlands and wetlands as natural carbon stores and climate resilience assets. This included consideration of the Flow Country World Heritage Site, peatland restoration, woodland creation, riparian corridors and natural flood management approaches that can reduce flood risk, regulate water flows and improve ecosystem resilience.
- Through its role in the Flow Country Partnership and as an accountable body for the Flow Country World Heritage Site, the Council continued to support the protection and long-term management of internationally important blanket bog habitats and natural carbon stores, helping to strengthen ecosystem resilience while supporting long-term carbon sequestration.

Landscape-scale Solutions

- Woodland Management Plans were developed for a number of Council-owned woodlands, including Chapelton Wood, Strontian Wood, Foyers Wood, Ellen Wood, Tradespark Wood and Loch Imrich, supporting long-term habitat resilience, biodiversity enhancement, removal of invasive non-native species and ecosystem management.
- As part of wider catchment restoration activity, sections of the River Peffery were reconnected with their floodplain through river restoration and re-meandering works, increasing upstream flood storage and reducing peak flows downstream through Dingwall, thereby contributing to local flood risk reduction.
- Evidence gathered through the HLDP process highlighted opportunities for woodland creation, riparian corridors, natural flood management and

landscape-scale habitat restoration to support ecological resilience and climate adaptation across Highland.

Outcome 2 – Communities are creating climate-resilient, healthy and equitable places.

Place-based collaboration

- During 2025/26, Highland Adapts published the Highland Climate Change Risk and Opportunity Assessment (HCCROA), providing a shared evidence base on 50 climate-related risks and opportunities across the themes of health and wellbeing, built environment, community and economy, infrastructure, and land, nature and food. The assessment brought together scientific evidence, economic analysis, regional expertise and lived experience to support coordinated adaptation action across the Highlands.
- The Council contributed to development and application of the HCCROA through its role as a founding partner and Board member of Highland Adapts, and through participation in a programme of cross-service workshops to consider how climate risks affect Council services, assets and communities. During 2025/26, 35 workshops involving 75 Council officers were undertaken using the HCCROA as a shared evidence base.
- Community Partnerships continued to strengthen their role as the local delivery mechanism for Community Planning across Highland, bringing together communities, public services, voluntary organisations and other partners to identify local priorities, influence decision-making and coordinate place-based action. Community Partnerships also supported Area Place Plans and local place planning development, helping communities identify priorities relating to poverty, housing, transport, health and wellbeing, climate adaptation and community resilience.
- Community-led Local Place Plans continued to be developed across Highland during the reporting period, helping communities identify local priorities relating to climate adaptation, flooding, coastal erosion, resilience and nature-based solutions. By April 2026, 20 communities had formally registered Local Place Plans. Examples of adaptation priorities identified through the plans include flooding, coastal erosion and nature-based solutions. The Golspie Local Place Plan, for example, identifies the need for a multi-agency strategic flood management approach.
- Community resilience emerged as a key priority across Community Partnerships during 2025/26. Severe winter weather, increasing climate-related risks, fuel poverty concerns and significant wildfire incidents reinforced the importance of local preparedness, partnership working and community capacity building.
- During 2025/26, preparatory work progressed towards the proposed Ardersier Common Local Nature Reserve, bringing together community organisations, landowners, environmental NGOs, public bodies and local residents to support nature recovery and biodiversity enhancement.

Community Support and Preparedness for extreme events

- More than 55 communities and organisations engaged directly with the Council's community resilience programme during 2025/26. Supported by a Community Resilience Planning Tracker, participating communities were assisted to better understand local risks, identify vulnerabilities, strengthen preparedness and develop Community Resilience Plans. Communities were encouraged to consider risks such as flooding and severe weather and identify local resources and capabilities that could be mobilised during emergencies.
- Partnership working through the North of Scotland Community Resilience Network and the Highlands and Islands Climate Hub continued to strengthen knowledge sharing and resilience-building activity across the region. Innovative approaches included development of an AI-enabled Community Resilience Plan Stress Testing Tool, enabling communities to test emergency scenarios and strengthen local resilience arrangements.
- Progress was made towards development of a Highland Community Resilience Strategy and proposals for a dedicated Community Resilience Strategic Oversight Group to strengthen coordination between community resilience, preparedness, recovery and climate adaptation activity across Highland.
- In September 2025, the Get Set September campaign was delivered collaboratively across Highland, Moray, Aberdeenshire and Aberdeen City, promoting practical preparedness measures relating to cyber security, flooding, severe weather and household emergency planning.
- During significant snow events in January 2026, public sector partners, voluntary organisations and communities worked together to maintain essential services and support vulnerable residents. This included contact with approximately 2,650 vulnerable people, over 8,600 hours of support and assistance with more than 100 care visits.
- The Sutherland Food Convention brought together community organisations, crofters, landowners, producers and public sector partners to explore food security, sustainability and climate resilience. The event identified priorities including local food production, food storage, community food growing and infrastructure to strengthen local resilience.

Built environment

- During 2025/26, the Energy Efficient Scotland: Area Based Scheme (EES:ABS) secured over £4.5 million of Scottish Government EES:ABS funding to support energy efficiency improvements to eligible privately owned homes across Highland. Additionally, over £419,000 of additional private sector investment was secured to support eligible Highland privately owned households living in extreme fuel poverty.
- Over £7 million Energy Company Obligation (ECO4) funding was leveraged for retrofit energy efficiency measures to Council owned houses.
- Work progressed on development of a draft Net Zero and Sustainability Design Standard to help ensure future Council new-build and

refurbishment projects incorporate climate adaptation and resilience considerations.

- In response to growing concern regarding fuel poverty and household resilience, partners established a new Fuel Poverty Action Group during 2026. The Group brings together housing, health, advice and third sector partners to improve coordination, strengthen prevention activity and support households affected by rising energy costs, fuel poverty and wider inequalities.

Coastal communities prepared

- A Flood Study commenced at Avoch through support from the Scottish Government's Coastal Change Adaptation Fund. The study will inform future adaptation planning and development of a Local Coastal Change Adaptation Plan, supporting understanding of future coastal flood and erosion risks in the area.
- At Nairn, a flood study progressed during 2025/26, including development of a hydraulic model for the River Nairn and Auldearn Burn. Further work was also undertaken to investigate coastal adaptation measures, including dune management activity and a beach recharge study which commenced in October 2025.

Outcome 3 – Public services are collaborating in effective and inclusive adaptation action

Governance, Culture, Skills and Resources

- During 2025/26, the Council approved its Climate Change Adaptation Strategy, establishing a framework for building resilience across Council services, infrastructure, communities and the natural environment. The Strategy identifies six priority themes for action and commits to development of a Corporate Climate Risk and Opportunity Assessment and a Climate Change Adaptation Action Plan to support implementation.
- A dedicated full-time Climate Change Co-ordinator continued to lead adaptation workstreams, while additional ecology, forestry and nature conservation capacity was secured to support delivery of climate adaptation and ecological resilience programmes.
- Through the Highland Property Partnership, public sector partners continued to align public assets, capital investment and service transformation plans, identifying opportunities for co-location, integrated service delivery and coordinated place-based investment across Highland communities.

Resilient Public Services, Assets and Infrastructure

- Through continuing delivery of the Local Flood Risk Management Plans covering the Highland area (2022-2028), the Council continued to improve understanding of flood risk and strengthen the resilience of communities,

assets and infrastructure to the impacts from climate change. Activity during the reporting year included flood studies, surface water management planning, flood resilience measures and the development of evidence to support long-term adaptation.

- Flood Protection Schemes at Caol & Lochyside and Drumnadrochit were completed during Cycle 2 of the Local Flood Risk Management Plan, helping to reduce flood risk and improve community resilience.
- A Regional Surface Water Management Plan was completed, identifying priority areas for future investment and interventions to reduce surface water flood risk across Highland.
- At Gynack Burn, Kingussie, a series of potential flood mitigation options were assessed but were found to be unfeasible due to cost. However, works completed by Pitmain Estate, with part-funding from the Council, aims to divert peak flows from the burn and help reduce flood risk to the town.
- Preparation of the Highland Local Development Plan (HLDP) Evidence Report strengthened the evidence base relating to flood risk management, blue-green infrastructure, natural flood management, wetlands and catchment-scale resilience. Evidence gathered through Chapter 7: Flood Risk Management highlighted the role of integrated catchment management, nature-based solutions and flood resilience in supporting climate adaptation.
- Delivery activity during 25/26 arising from LHEES included the completion of heat network feasibility studies and horizon scan to assess opportunities for low-carbon heat infrastructure. This work has helped identify potential locations for future investment, informed strategic planning and improve understanding of the technical and economic viability of low-carbon heat opportunities. The Council responded to the Distribution Future Energy Scenarios (DFES) request for information, led by Regen on behalf of the distribution network operator, helping improve understanding of future energy demand and electricity network requirements across the region. The Council also provided information and evidence to support Transitional Regional Energy Strategic Planning (tRESP), led by the National Energy System Operator (NESO), and continue participate in discussions with the NESO to strengthen the evidence base for future investment and infrastructure planning, supported a more coordinated and strategic approach to energy system development across the Highlands.
- The Council approved the Local Transport Strategy 2025-2035 Delivery Plan, comprising 138 priority actions to support delivery of a low-carbon, sustainable, inclusive, safe, resilient and accessible transport system. The Strategy includes a specific objective to invest in the safety, maintenance and resilience of Highland's transport network, supporting communities, businesses and adaptation to future climate impacts.
- Investment continued in active travel infrastructure, community-led transport projects, public transport improvements and integrated mobility initiatives, including through partnership working including with the

Highlands and Islands Transport Partnership (HITRANS), NHS Highland, the Walk Wheel Cycle Trust, community groups and more. HITRANS is developing a Health and Transport Action Plan, recognising the role of transport in supporting access to services and improving wellbeing across our communities; the Council is on the Steering Group communities.

Outcome 4 – Economies and industries are adapting and realising opportunities in our Just Transition

Businesses understand climate risks and opportunities

- During 2025/26, Highland Adapts published the Highland Climate Change Risk and Opportunity Assessment (HCCROA), improving understanding of climate risks affecting the Highland economy. The assessment identified significant current and future risks affecting businesses, infrastructure, labour productivity, supply chains and key sectors of the Highland economy, while also highlighting opportunities associated with climate adaptation and resilience-building.
- Following publication of the HCCROA, Highland Adapts established a cross-sector Advisory Panel bringing together representatives from the public, private, third and community sectors to help translate climate risk evidence into action. A sub-group is being established to pilot support for organisations, businesses and community groups seeking to embed climate resilience within policies, plans and strategies.

Farming, Forestry, Fisheries and Aquaculture

- The Highland Adapts Economic Assessment identified significant climate risks affecting Highland's forestry and timber, food and drink, energy, fisheries and aquaculture sectors. Risks identified included drought, wildfire, pests and disease affecting forestry; rising sea temperatures and sea lice affecting aquaculture; and climate impacts affecting whisky production, water availability and agricultural supply chains.
- The assessment highlighted the importance of adaptation planning within land-based and marine industries to support livelihoods, economic resilience and long-term business sustainability.

Economic Development and Supply Chain Resilience

- Research commissioned through Highland Adapts highlighted vulnerabilities within food and drink supply chains arising from climate change, including flooding, transport disruption, infrastructure constraints, water availability and dependency on long supply chains. The work also identified opportunities to strengthen regional resilience through shorter supply chains, local processing capacity, sustainable procurement, community wealth building, local food production, resource efficiency and investment in regional food infrastructure.

- Community Wealth Building continued to develop as a key strategic approach to ensuring that the benefits of economic growth, investment and development are retained within Highland communities. During 2025/26, activity focused on increasing local ownership, supporting fair employment, strengthening local supply chains and maximising the social and economic benefits arising from major investment across the region.
- Progress continued through the Social Value Charter and Highland Employer Charter, helping ensure that major investment opportunities deliver long-term benefits for local people and communities through fair work, skills development, workforce planning, housing and community benefit initiatives.
- During 2025/26, partners progressed development of the Highland Wealth Fund, a partnership-led initiative designed to ensure that the benefits arising from major renewable energy and infrastructure investment are shared across Highland communities. The Fund aims to create a long-term mechanism for directing investment towards community priorities and supporting inclusive and sustainable growth.
- Through Workforce North, partners worked collaboratively with employers, education providers and economic development organisations to prepare communities and businesses for future opportunities associated with renewable energy, infrastructure, construction and other growth sectors. During 2025/26, a Highland-specific Operational Roadmap was developed and a Workforce North Co-Investment Fund progressed to support workforce planning, skills development and talent retention. This work supports a just transition by helping local people and businesses access opportunities arising from major investment while addressing workforce shortages and skills gaps.

Through its participation in Focus North, the Council continued to support regional collaboration on skills development, economic diversification and low-carbon opportunities in Caithness and North Sutherland. The approach was highlighted in the Just Transition Commission Final Report: No Time to Lose (2026) as an example of effective regional partnership working to support economic transition and workforce resilience.

4e What arrangements does the body have in place to review current and future climate risks?

The Council has a range of governance, risk management, planning and partnership arrangements to support the ongoing review of current and future climate risks.

- The Council's Climate Change Adaptation Strategy, approved in September 2025, establishes the strategic framework for adaptation and commits to development of a Corporate Climate Risk and Opportunity Assessment and associated Climate Change Adaptation Action Plan. Progress against adaptation priorities, emerging risks and future actions will be reviewed through the Council's governance and reporting arrangements.
- The Highland Climate Change Risk and Opportunity Assessment (HCCROA), developed through Highland Adapts, provides the Council's principal regional evidence base for understanding current and future climate risks and opportunities across Highland. The assessment considers 50 climate-related risks and opportunities and will continue to inform regional and local adaptation planning and decision-making.
- During 2026/27, the Council will continue development of a corporate Climate Change Risk and Opportunity Assessment, using the findings of the HCCROA and the Council's programme of cross-service engagement to identify, assess and prioritise climate-related risks and opportunities affecting Council services, assets, infrastructure and operations. The assessment will establish a framework for the ongoing review and monitoring of climate risks across the organisation and inform future updates to adaptation priorities, service planning, business continuity arrangements and investment decisions.
- The associated Climate Change Adaptation Action Plan will support an adaptive management approach to climate resilience by translating identified risks into actions, monitoring progress, reviewing emerging risks and updating priorities as new evidence, climate projections and operational requirements evolve.
- Reviews of climate-related risks are also informed by emerging national climate risk evidence. In August 2026, the Climate Change Committee considered the findings of the Fourth Climate Change Risk Assessment - Independent Assessment (CCRA4-IA) and A Well-Adapted UK and agreed that the findings should inform development of the Council's Climate Change Adaptation Action Plan and wider adaptation activity.
- Climate risks and adaptation priorities are reviewed through a range of Council governance arrangements. The Climate Change Committee provides oversight of climate adaptation, resilience and related strategies and receives reports on climate and environmental matters. Responsibility for reviewing specific climate-related risks, programmes and policies sits across a number of strategic committees in accordance with the Council's Scheme of Delegation. For example, flood risk management, transport, infrastructure, development planning, biodiversity and ecology matters are considered through the Economy & Infrastructure Committee, while community planning, place-based approaches, community participation and community resilience matters are considered through the Communities & Place Committee.
- Climate-related risks are also considered through the Council's wider corporate risk management arrangements. The Audit Committee provides

oversight of the Council's risk management framework and receives regular updates on the Corporate Risks Register. This provides an additional mechanism through which significant and emerging risks, including climate-related risks where relevant, can be monitored and reviewed within the Council's corporate governance arrangements. The Risk and Resilience Group, established through the merger of the former Resilience Group and Corporate Risk Management Group, provides a further mechanism for reviewing emerging risks, resilience issues and preparedness arrangements, helping to ensure climate-related risks are considered alongside other corporate and service risks.

- As a Category 1 responder within the Highlands and Islands Local Resilience Partnership (HILRP), the Council contributes to the review of regional risks, preparedness and resilience arrangements through the wider North of Scotland resilience framework. This includes consideration of severe weather, flooding and other emerging risks, helping ensure regional resilience priorities remain aligned to current and future climate-related risks.
- Climate-related risks and resilience priorities are also reviewed through the Highland Outcome Improvement Plan (HOIP), the Community Safety and Resilience Delivery Group and wider Community Planning Partnership arrangements. These processes support the identification of local priorities and vulnerabilities and help strengthen links between community resilience, community planning and climate adaptation activity across Highland.
- As a founding partner of Highland Adapts, the Council contributes to the ongoing review and development of regional adaptation evidence. The Highland Adapts Partnership Strategy 2026-2027 includes commitments to maintain and promote the HCCROA, continue development of the Highland Weather and Climate Story Map, and scope development of a Highland Vulnerability Map to strengthen understanding of climate vulnerability and resilience across the region.
- Climate risks are also reviewed through statutory and strategic planning processes, including preparation of the Highland Local Development Plan, implementation of the Highland and Argyll Local Flood Risk Management Plan 2022-2028 and contributing to the Findhorn, Nairn and Speyside Local Flood Risk Management Plan 2022-2028, delivery of the Regional Coastal Change Adaptation Plan, flood studies, surface water management planning and associated evidence-gathering exercises. These processes help ensure that current and future climate risks are routinely reassessed and reflected within policy development, investment planning and service delivery decisions.

4f What arrangements does the body have in place to monitor and evaluate the impact of the adaptation actions?

- The Council's Climate Change Adaptation Strategy establishes the strategic framework for adaptation and commits to the development of a Corporate Climate Risk and Opportunity Assessment and associated Climate Change Adaptation Action Plan.
- As the Council develops its Corporate Climate Change Risk and Opportunity Assessment and Climate Change Adaptation Action Plan, further work will be undertaken to establish a more formal adaptation monitoring and evaluation framework, including adaptation indicators and outcome measures aligned with climate risks, adaptation priorities and resilience objectives.
- Climate adaptation and resilience considerations are incorporated within the Council's Climate Change Impact Assessment process, which forms part of the wider Integrated Impact Assessment framework. The process helps identify potential climate adaptation implications associated with proposed policies, plans and projects and supports the identification of appropriate mitigation and resilience measures where required.
- In accordance with the Flood Risk Management (Scotland) Act 2009, the Council undertakes formal review and reporting of progress against its Local Flood Risk Management Plans. During 2025/26, the Council completed the statutory Section 37 Interim Review process, assessing progress against flood risk management actions and measures designed to reduce flood risk and improve community resilience. This provides an established mechanism for monitoring delivery and evaluating progress against flood resilience and adaptation objectives.
- Progress relating to biodiversity, ecological resilience and nature-based adaptation is reviewed through the Council's biodiversity reporting arrangements, including preparation of Biodiversity Duty Reports. These reports provide information on biodiversity actions, habitat management, nature restoration activity and monitoring undertaken by the Council and its partners, helping inform future biodiversity and nature recovery activity.
- Community resilience activity is monitored through the Council's Community Resilience Planning Tracker, which records community engagement, plan status and development progress across participating communities and organisations. Information gathered through the programme helps understand levels of preparedness, identify vulnerabilities and gaps, monitor progress and inform future resilience priorities.
- The Local Transport Strategy 2025-2035 Delivery Plan includes a monitoring and evaluation programme and annual progress reporting arrangements to assess implementation of transport actions, including measures relating to transport resilience, accessibility and adaptation to climate-related disruption.

4g

What are the body's top 5 climate change adaptation priorities for the year ahead?

1. Complete development of a corporate Climate Change Risk and Opportunity Assessment, using the findings of the Highland Climate Change Risk and Opportunity Assessment (HCCROA) and the Council's internal cross-service engagement programme to identify and assess climate-related risks and opportunities affecting Council services, infrastructure, assets and operations.
2. Following development of the Corporate Climate Risk and Opportunity Assessment, prepare a corporate Climate Change Adaptation Action Plan to translate the priorities identified within the Council's Climate Change Adaptation Strategy into deliverable actions, responsibilities, timescales and monitoring arrangements.
3. Progress approval and implementation of the Net Zero and Sustainability Design Standard to ensure climate adaptation and resilience are embedded within new-build, refurbishment and infrastructure projects across the Council estate.
4. Progress development of the Highland Community Resilience Strategy and support community resilience planning across Highland. This will include working with communities and partners to ensure climate risks and adaptation priorities are reflected within Community Resilience Plans, Area Place Plans and Local Place Plans.
5. Continue to support Highland Adapts as a partner organisation, helping to strengthen regional collaboration on climate adaptation, promote use of the HCCROA, and support delivery of the Highland Adapts Partnership Strategy 2026-2027 to advance climate resilience across the Highland region.

4h Supporting information and best practice

- As a founding partner of Highland Adapts, the Council has supported development of a regional, place-based approach to climate adaptation through publication of the Highland Climate Change Risk and Opportunity Assessment (HCCROA), the Highland Weather & Climate Story Map, sector-based economic assessments and collaborative adaptation planning.
- In December 2025, Derek Brown, Chief Executive of The Highland Council, was invited by the Scottish Government to speak at the Climate Adaptation Leadership Summit on the Council's experience of working through Highland Adapts. The session focused on partnership and collaboration for climate resilience and provided an opportunity to share learning from Highland's place-based approach to climate adaptation with senior leaders from local authorities, public bodies and national infrastructure organisations across Scotland. The invitation reflected growing national interest in the collaborative, place-based approach being developed through Highland Adapts and provided an opportunity to share lessons learned on regional climate adaptation and resilience.

- The Council has supported innovative approaches to community resilience through development of an AI-enabled Community Resilience Plan Stress Testing Tool. The tool enables communities to test resilience plans against realistic emergency scenarios and identify opportunities to strengthen preparedness and response arrangements.
- Prototype lesson plans were developed to translate findings from the HCCROA into age-appropriate learning activities for learners from P1 to S6. The resources provide a place-based climate education pathway linked to Curriculum for Excellence and explore climate risks, opportunities, adaptation and resilience within a Highland context.
- Highland schools continue to demonstrate good practice in Learning for Sustainability, with schools including Cannich Bridge Primary School and North Kessock Primary School featured within national learning resources developed by Education Scotland. These examples demonstrate how sustainability, climate awareness, biodiversity, food growing and community resilience can be embedded through whole-school approaches and pupil-led learning.
- In March 2026, the Council supported the Highland Biodiversity Conference 2026, delivered through the Highland Environment Forum. The conference brought together practitioners, community organisations, land managers, public bodies and environmental organisations to share learning and good practice on peatland restoration, river restoration, nature recovery, biodiversity enhancement and community-led environmental action. The programme included presentations on the Flow Country World Heritage Site, River Peffery restoration project and landscape-scale nature restoration initiatives, supporting knowledge exchange on nature-based approaches to climate adaptation and resilience across Highland.

The Council continues to support its Species Champions initiative, which provides elected members with opportunities to promote awareness of priority and threatened species found across Highland. The initiative helps raise awareness of the role biodiversity can play in supporting climate resilience and adaptation and provides a mechanism for promoting species conservation, nature recovery and understanding the links between biodiversity loss and climate change.

Part 5: Procurement

5a How have procurement policies contributed to compliance with climate change duties?

The Council's procurement policies support compliance with climate change duties through the Joint Procurement Strategy 2023-2026, the Procurement Manual, the Sustainable Procurement Duty and associated governance arrangements. The Joint Procurement Strategy includes a dedicated theme on

Climate Change, Net Zero and Circular Economy and commits procurement activity to supporting climate adaptation, climate resilience, biodiversity and circular economy outcomes. The Strategy also states that climate considerations should be addressed throughout the procurement lifecycle, including identification of need, specification development, selection and award stages and contract management. Progress against these commitments is reported through the Strategic Procurement Board and Annual Procurement Reports.

The Council employs a demand management approach and seeks to improve how goods, services and works are purchased, including reducing unnecessary demand where appropriate. This approach supports reduction of waste, improved resource efficiency and the avoidance of unnecessary environmental impacts across supply chains.

Significant procurement proposals (Goods or Services above £50k and Capital above £250k) are subject to formal business case development and approval processes. Gateway arrangements require consideration of community benefits, Fair Work practices and the Council's climate commitments, with justification required where relevant content is not included. These processes help ensure procurement activity is subject to appropriate governance and that climate impacts, opportunities and wider environmental considerations are considered at an early stage in procurement planning and decision-making.

The procurement function aspires to act as an enabler and will:

- support the creation of enabling conditions to reduce emissions;
- support climate change adaptation to reduce risk and vulnerability to climate change;
- strengthen climate resilience, enhancing wellbeing and the capacity to anticipate and respond successfully to change;
- enhance biodiversity through conservation, protection and promotion; and
- support the transition to a circular economy.

Sustainable procurement guidance forms a dedicated section of the Council's Procurement Manual and is supported by procurement templates, checklists and approval processes. The guidance helps ensure that sustainability and climate considerations are considered throughout procurement planning, including identification of need, specification development, selection and award, and contract management. Procurers are encouraged to consider climate change mitigation, climate adaptation, biodiversity enhancement and wider social, economic and environmental outcomes throughout the procurement

lifecycle, making use of sustainability assessments, climate-related questions and procurement tools where relevant and proportionate.

The Council's procurement policies support sustainable procurement and the delivery of community benefit as a key component to support our wider Community Wealth Building objectives. Procurement and commissioning are recognised as key mechanisms for retaining the benefits of investment within Highland communities, strengthening local supply chains, supporting fair employment and maximising social value. The Council seeks to ensure that procurement policies contribute to long-term economic, social, and environmental wellbeing across Highland communities through the application of a wider Community Wealth Building approach and initiatives such as the Highland Employer Charter.

The Council's Community Benefit Policy requires Community Benefits to be considered through procurement activity and promotes Fair Work practices, the Real Living Wage, prompt payment, SME participation, skills development and wider community benefit outcomes. The policy also encourages procurers to consider opportunities to support community resilience, community capacity building and local economic development where relevant and proportionate to do so, based on the type, value, and length of each individual procurement activity.

Implementation of procurement policy is supported through governance, reporting and training arrangements. Progress is reported through the Strategic Procurement Board and Annual Procurement Reports, while delegated procurers undertaking Level 2 and Level 3 procurement authority are required to complete mandatory sustainable procurement training to ensure understanding of sustainable procurement obligations and climate-related considerations within procurement activity. Community benefit requirements and wider sustainable procurement considerations are also scrutinised through procurement governance arrangements, including the Council's procurement approval processes.

5b How has procurement activity contributed to compliance with climate change duties?

The following procurement and commissioning activities demonstrate how the Council's procurement policies have been applied in practice during the reporting period to support climate change mitigation, climate adaptation and wider sustainability objectives, including community benefit delivery, resource efficiency, energy efficiency, low-carbon infrastructure and resilience-building activity.

Transport

- Highland Council acted as lead authority for the North of Scotland EV Infrastructure project. During 2025/26, a commercial partner, EZO, was appointed to deliver the programme. Migration of existing charge points to the EZO platform commenced and Pathfinder 1 site development progressed. The project generated £150,000 of income across the four partner Councils during 2025/26 and established a scalable delivery model projected to unlock in excess of £300 million of external economic development over the lifetime of the programme, supporting expansion of EV charging infrastructure and the transition to low-emission transport.
- Work progressed on procurement preparations for replacement of the Corran Ferry vessel, including development of proposals for a replacement electric vessel. The project forms part of the Council's wider commitment to reducing emissions from transport operations while improving the long-term resilience, reliability and sustainability of an essential transport connection serving communities, businesses and visitors in Lochaber and beyond.
- Procurement activity also supported delivery of fleet decarbonisation measures through the replacement of 41 diesel small light commercial vans with 41 plug-in hybrid small vans, helping reduce fleet emissions while maintaining operational capability and service delivery.
- Funding was secured during the reporting period to support introduction of 10 electric buses. While the vehicles had not yet entered service during 2025/26, the project represents a significant investment in low-emission public transport infrastructure and supports the transition to a more sustainable and resilient transport network across Highland.
- Community transport organisations continued to deliver a range of Council-supported services during 2025/26. Partnership working with community transport providers, including collaborative approaches to contract delivery, helped support accessibility, social inclusion and connectivity across Highland, particularly in rural and remote communities. Four community transport groups delivered contract services on behalf of the Council during the reporting period.
- Following a competitive procurement process, a five-year contract for operation of the Cromarty–Nigg Ferry Service (2026-2031) was awarded. Sustainability and environmental considerations formed part of the technical evaluation process and the contract supports connectivity, economic activity and access to services while aligning service delivery with the Council's climate and sustainability objectives.

Energy Efficient Homes

During 2025/26, the Energy Efficient Homes Programme leveraged approximately £16.4 million of external funding to deliver energy efficiency improvements to 722 homes across Highland, with 1,770 energy efficiency measures installed across Council, owner-occupied and privately rented housing. Procurement

activity associated with the programme also delivered community benefit outcomes, including the provision of educational resources to Highland primary school aged children which focus on construction and green energy. Additionally, there was opportunities to apply for donations to undertake community projects.

Heat Decarbonisation

- Heat Networks Project – During 2025/26, specialist consultants were commissioned to undertake a feasibility study for the West Bank of Inverness, incorporating both heat network and local generation opportunities, as well as a horizon scan of other locations across the Highlands to investigate the potential for future heat network development.
- While an initial Public Contracts Scotland (PCS) procurement exercise was undertaken, the Council subsequently utilised an existing Zero Waste Scotland Technical Evaluation for Low Carbon Heating and District Heating Networks National Framework to secure required expertise more efficiently. This pre-procured framework, established by Zero Waste Scotland on behalf of the Scottish Government, provides access to specialist heat network consultants, enabling public sector organisations to obtain technical support without undertaking a separate procurement process.
- A series of progress meetings and workshops were held with the project team and wider Council officers. These sessions helped build knowledge and skills within the Council, improving understanding of heat network opportunities, low-carbon technologies and the suitability of different areas for future development.

Community Wealth Building and Social Value

- During 2025/26, 42% of procurement spend was with local enterprises, exceeding the Council's target of 30.8%. This supported local supply chains, Community Wealth Building objectives and economic resilience across Highland communities.
- In June 2024, the Council on behalf of the Highland Community Planning Partnership implemented the Highland Social Value Charter. The Charter seeks to ensure that benefits arising from major investment and development activity supports local priorities including housing, connecting people and places, employment, employability, and tackling inequalities across Highland communities. Through this work, the Council actively encourages businesses to maximise community wealth building opportunities through their own procurement activity ensuring a positive impact across Highland.
- Through Workforce North, partners worked collaboratively with employers, education providers and economic development

organisations to prepare communities and businesses for future opportunities associated with renewable energy, infrastructure, construction and other growth sectors. During 2025/26, a Highland-specific Operational Roadmap was developed and a Workforce North Co-Investment Fund was launched on 1st September 2026 to support workforce planning, skills development, and talent retention.

- By the end of 2025/26, 22 organisations had signed up to the Highland Employer Charter, representing 5,407 employees across Highland and supporting Fair Work, workforce development and Community Wealth Building objectives.

Highland Investment Plan

- Through the Highland Investment Plan (HIP), community benefit plans were established for each of the seven Phase 1 projects in line with the Council's Community Benefit Policy and Community Wealth Building Strategy. A minimum of 639 community benefit commitments were pledged by Tier 1 contractors, subcontractors and design teams, including commitments relating to Fair Work, apprenticeships, graduate placements, education engagement, work experience opportunities, local economic development activity and environmental wellbeing measures supporting Net Zero objectives. Community benefit delivery also supports workforce development through links to the Construction Skills Academy and Workforce North initiatives.
- A Community Wealth Building Working Group was established involving the Council, Hub North Scotland and Tier 1 contractors to support delivery of the Highland Investment Plan Community Benefit Strategy, promote Community Wealth Building objectives, support the Construction Skills Academy and Workforce North, embed the Highland Employer Charter across the supply chain and share best practice and innovation.
- Procurement activity associated with the Highland Investment Plan incorporated sustainability and climate considerations through design reviews, procurement working groups and collaborative delivery arrangements. Design specification reviews included consideration of energy performance and retention of the Net Zero Public Sector Building Standard as a baseline requirement, alongside value management and standardisation across new-build elements.

Flood Risk Management and Coastal Change Adaptation

- Coastal Change Adaptation, Nairn Beach: Procurement of a Consultant to model and provide advice on coastal erosion risk at Nairn Beach. This work built on previous assessments undertaken on the beach. This time the focus was on the impact of beach recharge on beach dynamics and how importing sand could contribute towards combatting future coastal

erosion and supporting flood risk reduction. The ongoing study aim is to determine if non-structural improvements can augment existing natural defences (dunes) which are currently protecting properties from flooding.

- River Peffery: A consultancy contract has been awarded to review existing river modelling and to incorporate into the model multiple Natural Flood Management measures that have already been implemented within the catchment. This modelling work will provide scientific evidence for the effectiveness of nature-based solutions in tackling increased flood risk associated with climate change.
- CCTV Surveys: Regular annual CCTV and jetting of culverted watercourses by external contractor. This preventative work reduces instances of flooding in the future due to blocked culverts. Requirement for reporting is now electronic rather than paper copy reports for each culvert. Culvert locations are grouped together for reduced transportation.

Waste

- The Waste Service works closely with corporate colleagues to ensure sustainability and climate change duties are both well specified and assessed as part of the public procurement process. Tendering activities within the service place a particular focus on delivering best practice resource efficiency and circular economy outcomes. The Waste Service has in place an active contract management and monitoring regime to ensure commitments made and continuous improvement is being achieved through service spend.

National Frameworks

- Through participation in Scotland Excel (SXL) User Intelligence Groups, the Council works in collaboration with Scotland Excel to support development of national procurement frameworks that incorporate sustainability considerations. Sustainability assessments are undertaken for new frameworks, including consideration of waste management, carbon reduction, Fair Work, innovation and community benefits. The Council makes extensive use of national frameworks and associated contract registers, which identify sustainability considerations that can be enhanced through local purchasing decisions and contract management activity. Procurement approaches relating to supplies encourage improved vehicle emissions standards where relevant, while food-related frameworks incorporate reduced packaging, waste reduction and circular economy principles.
- The Council also utilises a range of Scottish Government framework agreements and contracts. These include sustainability measures relating to electricity, natural gas and water services, incorporating energy efficiency, environmental performance and resource management considerations. Such frameworks provide a baseline level of sustainability

that can be strengthened through local call-off arrangements and commissioning decisions.

5c Supporting information and best practice

- During 2025/26, officers from the Climate Change and Energy Team and the Shared Procurement Service participated in pilot work with Eden Seven to test the potential application of the cero.earth platform. The pilot explored how the platform could support understanding of procurement and supply-chain emissions and provided an opportunity to assess its potential use in strengthening carbon reporting, emissions management and climate-related decision-making. Following completion of the pilot, approval was secured in 2026 to progress a managed engagement with Eden Seven. This work will support development of service carbon budgets, emissions reduction trajectories and improved reporting of procurement-related emissions, helping strengthen the evidence base for future climate and procurement decision-making.
- During 2025/26, the Commercial and Procurement Shared Service (CPSS) was shortlisted at the GO Awards Scotland in the categories of Excellence in Social Value, Team of the Year and Public Procurement Project of the Year. The service subsequently won the national Procurement Team of the Year award in June 2026, recognising its approach to procurement, community benefit delivery and social value.
- During 2025/26, officers from the Climate Change and Energy and Property teams participated in a Lifecycle Carbon Analysis (LCA) Pilot to explore how whole-life carbon assessment could be embedded across the council's capital programme. One element of the pilot was to assess how embodied carbon could be measured across different project types. This capability would enable options appraisals and inform decisions, allowing the council to identify lower-carbon choices and reduce emissions associated with capital programme procurement activity.

Part 6: Validation

6a Internal validation process

Corporate emissions data is compiled by a variety of teams across the Council. This data is validated by each Service prior to being provided to the Climate Change & Energy Team. The Climate Change & Energy Team then provides an additional 'sense check', scrutinising the data for consistency with previous years' reporting. Requirements for the data are carefully discussed with each team, and a written process tailored to each specific team has been developed to ensure consistency in the type and scope of data provided each year, along with an agreed person responsible for delivering the data to the Climate Change & Energy Team. Data is stored securely with both the service providing the data, and with the Climate Change & Energy Team.

6b Peer validation process

Informal peer validation regarding processes for compiling the report has taken place with Moray and Aberdeen City councils. This primarily involved emission source gap analysis and methodology check.

6c External validation process

n/a

6d No validation process

n/a

6e Declaration

Name:	
Role in the body:	Assistant Chief Executive - Place
Date:	

Appendix 2

Consumption / Comments / Unit	Consumption	Emissions (tCO2e)	Consumption vs. 2024/25	CO2e vs. 2024/25
Scope 1				
Diesel (average biofuel blend) / Fleet Use (litres)	3,448,012	8,864.2	+20%	+22%
Natural gas / Space heating (kWh)	27,140,376	4,965.6	-10%	-10%
Gas oil / Class D (kWh)	12,838,333	3,293.0	-20%	-20%
LPG / LPG off grid gas alternative (kWh)	6,803,504	1,459.4	-2%	-2%
Marine gas oil / Corran Ferry - Public Ferry Service (litres)	246,514	683.2	-10%	-10%
Diesel (average biofuel blend) / In House Bus Project and Bus Operations (litres)	264,181	679.2	+57%	+61%
Wood pellets / Heat from Biomass (kWh)	34,849,142	400.8	0%	+1%
Burning oil (Kerosene) / Heating, road maintenance, cylinders (kWh)	1,312,275	323.8	+137%	+137%
Gas oil / Class A2 (kWh)	1,177,721	302.1	+172%	+172%
Petrol (average biofuel blend) / Fleet Use (litres)	133,721	276.7	+17%	+16%
Other (please specify in comments) / HVO Trial - Council bus project (litres)	13,163	0.5		
Gas oil / General "Oil" (kWh)	-	-	-100%	-100%
Scope 2				
Electricity: UK / Buildings (kWh)	49,428,407	8,748.8	+4%	-11%
Electricity: UK / Street Lighting (kWh)	8,375,262	1,482.4	-4%	-18%
Scope 3				
Transmission and distribution - Electricity: UK / Buildings (kWh)	49,428,407	915.9	+4%	+5%
Average car - Unknown / Grey Fleet (mileage reimbursement) - THC (miles)	2,187,309	588.7	-1%	0%
Homeworking (office equipment + heating) / Homeworking/Hybrid (FTE Working Hour)	1,169,700	390.4	+3%	+3%
Average car - Unknown / Car Club (miles)	890,106	239.6	+11%	+11%
Transmission and distribution - Electricity: UK / Street Lighting (kWh)	8,375,262	155.2	-4%	-3%
Average car - Unknown / Grey Fleet (mileage reimbursement) - HLH and VJB (miles)	449,417	121.0	-16%	-16%
Water treatment / Based on 95% of water consumption (cubic metres)	473,311	80.5	-15%	-15%
Average car - Unknown / Car Hire - Travel Desk (miles)	179,711	48.4	+6%	+6%

Appendix 2

Consumption / Comments / Unit	Consumption	Emissions (tCO2e)	Consumption vs. 2024/25	CO2e vs. 2024/25
Water supply / Water to all buildings (cubic metres)	498,222	39.9	-15%	-15%
Household/Municipal/Domestic waste - Landfill / Waste to Landfill - Schools (tonnes)	61	30.3	-80%	-80%
National rail / Staff Travel (Travel Desk) (passenger km)	437,669	15.5	+26%	+26%
Household/Municipal/Domestic waste - Landfill / Waste to landfill - Non Schools (tonnes)	18	9.0		
Household/Municipal/Domestic waste - Combustion / Energy from Waste - Schools (tonnes)	1,419	6.6	+21%	-12%
Flights - Short-haul, to/from UK - Average passenger / Staff Travel (Travel Desk) (passenger km)	47,702	6.1	-12%	-39%
Mixed dry recyclates - Recycled / Mixed Recycling - Schools (tonnes)	654	3.1	+27%	-7%
Household/Municipal/Domestic waste - Combustion / Energy from Waste - Non Schools (tonnes)	600	2.8	-1%	-28%
Mixed dry recyclates - Recycled / Mixed Recycling - Non Schools (tonnes)	328	1.5	+21%	-12%
Average car - Unknown / Car Hire - HLH/Non Travel Desk - estimated by cost (miles)	4,693	1.3	+59%	+60%
Organic: food and drink waste - Composting / Organic food waste - Schools (tonnes)	128	1.1	+5%	+6%
Coach / Staff Travel (Travel Desk) (passenger km)	28,979	0.8	-12%	-10%
Ferry - Average (all passenger) / Staff Travel (Travel Desk) (passenger km)	3,094	0.3	+15%	+15%
Organic: food and drink waste - Composting / Organic food waste - Non Schools (tonnes)	27	0.2	-10%	-9%