The Highland Council

Agenda Item	**17**
Report No	**ECI/50/26**

Committee: **Economy and Infrastructure**

Date: **12 November 2026**

Report Title: **Delivery Plan Monitoring and Progress Update – My Highland Future, Reconfiguring Our Asset Base and Net Zero, Energy, Investment and Innovation - Q2 2026-2027**

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

1 Purpose/Executive Summary

1.1 The Delivery Plan 2024-2027 consists of 66 projects/programmes, managed through 6 Portfolio Boards. This number will fluctuate as future work is developed, current projects close or work is restructured in order to improve an approach for successful delivery. Each project is reported to a relevant committee for consideration and scrutiny in terms of the Portfolio Reporting Cycle agreed at Council on 14 May 2026. Exceptions to this general rule may apply when for example circumstances merit a standalone project/programme report to either committee or council. If exceptions apply this report will signpost to where the relevant reporting can be found.

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

- Employer Engagement & Job Opportunities;
- Council Future Workforce;
- Roads and Infrastructure Improvements Programme;
- Battery Storage System – former Torvean Quarry;
- EV Infrastructure; and
- Heat Networks

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

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

2 Recommendations

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

3 Implications

3.1 **Resource -** There are no resource implications arising as a direct result of this report. Any resource implications (if any) for delivery plan projects or programmes are detailed in the Financials sections of each of the project updates provided below.

3.2 **Legal -** This report contributes to the Council's statutory duties to report performance and secure best value in terms of Section 1(1)(a) of the Local Government Act 1992, and Section 1 of the Local Government in Scotland Act 2003, respectively.

3.3 **Risk -** There are no risk implications arising as a direct result of this report. Project/Programme risks are assessed via the Council risk management process and monitored through the Portfolio Boards.

3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people) -** There are no implications arising as a direct result of this report.

3.5 **Gaelic -** There are no implications arising as a direct result of this report.

4 Impacts

4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 This is an update report and therefore an impact assessment is not required.

5 Employer Engagement and Job Opportunities

5.1 Overall Project RAG & Milestones

Below is an extract of the first page of the PRMS project dashboard which contains the Overall Project RAG and Key Project Milestones against which, project progress is tracked.

Workstream: My Highland Future - Universal

Project: Employer Engagement & Job Opportunities — G

There is a single team approach across all agencies to delivering the future workforce that the region needs.

All partners support and align to these processes to secure our objectives.
- Ensure effective solutions to emerging employer demand for workforce, structuring career pathways to reflect industry demand on a sector-by-sector basis
- Reward businesses who support fair work and the living wage – supporting our workforce for the future strategy and the local supply chain
- Improve systems and approaches to cater for those seeking pathways to jobs

ACTIVITY
- Work with industry and partners to ensure understanding of skills needs and gaps to inform development of career pathways and opportunities into employment.
- Highland Employer Charter to bring about positive improvements in labour market (Fair Pay / Employing Highland residents/fair work practices to attract & retain employees)
- Developing a single gateway to employability services available

PROJECT ELEMENTS
- Develop Sector Skills Boards – industry and partners working collectively to inform career pathways – 7 Sectors targeted for Industry Engagement: Construction, Tourism/Hospitality, Green jobs/Energy, Arts and Culture, Digital, Public/third sector, Food/Aquaculture - WP1
- Develop Employer Charter awards scheme, linking to Council procurement activity, promoting advisory and financial support available and how to engage with schools – our future workforce - WP2
- Continue to grow Work.Life.Highland brand – website and supporting social media content - WP3
- Strategic Mapping / Data Management - WP4

Portfolio: My Highland Future

Portfolio Sponsor: Assistant Chief Executive

MILESTONES		CURRENT STATUS
Starts Jul 25 / Completes Sep 25	Employer Engagement & Job Opps: WP1b Draft Terms of Reference template for use by each new Skills Board	M8 25/26 Completed
Starts Jun 25 / Completes Sep 25	Employer Engagement & Job Opps: WP2a Highland Employer Charter – complete pilot phase, leading to official launch	M7 25/26 Completed
Starts Aug 25 / Completes Oct 25	Employer Engagement & Job Opps: WP1a Map and engage with current relevant skillsgroups	M1 26/27 Completed
Starts Jul 25/ Completes Dec 25	Employer Engagement & Job Opps: WP3 Continue to connect with HEP to support WLHB communication	M9 25/26 Completed
Starts Jul 25/ Completes Dec 25	Employer Engagement & Job Opps: WP4a Workforce North – Contribute to mapping regional Workforce demand	M11 25/26 Completed
Starts Jul 25/ Completes Dec 25	Employer Engagement & Job Opps: WP4b Workforce North – Contribute to mapping delivery vehicles for skill	M11 25/26 Completed
Starts Apr 25/ Completes Mar 26	Employer Engagement & Job Opps: WP2c Highland Employer Charter – Deliver digital platform to support Charter activity (UKSPF Project)	M1 26/27 Completed
Starts Sep 25/ Completes Mar 26	Employer Engagement & Job Opps: WP1c Create system to ensure effective communication between skills boards and key stakeholders	M1 26/27 Completed
Starts Oct 25/ Completes Mar 26	Employer Engagement & Job Opps: WP2b Highland Employer Charter – evidence industry pledges for aspects of the 'My Highland Future' programme	M1 26/27 Completed
Starts Oct 25/ Completes Mar 26	Employer Engagement & Job Opps: WP1d New Sector Skills Boards – strategic plan agreed by each board, informing future delivery action plan	M6 26/27 Some Slippage
Starts Mar27 / Completes Mar27	Employer Engagement & Job Opps: Project Closure and transfer to BAU	

5.2 Overall Project RAG

The Highland Employer Charter received project funding from the UKSPF for the period of 15 months from June 2025 to September 2026.

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

The project manager left the role during the period of moving the project from pilot phase into Business as Usual, as approved for the My Highland Future Portfolio. The departure of the Project Manager and the time taken to appoint the new permanent posts of Project Manager and Project Officer has seen a gap between the conclusion of Cohort 2 and the start of Cohort 3, which has 16 businesses awaiting commencement of chartership and which we now anticipate will be December 2026 following the new staff being in post from 2 November.

Widespread business confidence in the initiative is clear and offers a strong foundation towards IIP and ISO9001 aspirations. The employer canvas tool has given a clear framework to employers and supports local investment in the Highland workforce.

Overall, the initiative has been highly successful and is now positioned as a critical engagement method to support good practice with employers, and to engage with Tier 1s, SMEs, and 3rd Sector organisations in all parts of the Highlands.

Other notable points:-

- The Highland Employer Charter was the venue sponsor for the Highland Youth Parliament on 24 September at Eden Court where we had the opportunity to showcase the work of the Charter through engagement with over 150 young people, youth support workers and industry representatives who were in attendance
- The Highland Employer Charter has gathered interest from Public Health Scotland and has been asked to share experience at a peer-to-peer learning workshop in January to other local authorities considering their own charters.
- The charter has had recent representation at the Focus North Conference in Wick and the WFN Accelerating Apprenticeships event in Inverness. These provided opportunities to talk to employers across multiple sectors, gather intelligence, provide local insights and attracting interest in the sector skills boards.

5.3 Milestones

New milestones focussing on skills boards will be developed once the new Project Manager is in place.

5.4 Key Risks & Measures of Success

Below is an extract of the second page of the PRMS project dashboard which sets out the Key Risks and Measures of Success for the project:-

MEASURES OF SUCCESS	CURRENT STATUS
Employer Engagement & Job Opps: Number of businesses signed up to Employer Charter/track growth - Annual	21
My Highland Future: % of regional skills gaps successfully addressed - Starts reporting FY25/26 - Annual	
My Highland Future: Number of jobs created - Starts reporting FY25/26 - Annual	

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

5.5 Key Risks

The key risks are shown above and are regularly reviewed.

5.6 Financial Measures

There are no financial indicators directly associated with this project.

5.7 Performance & Measures of Success

Performance and measures of success figures will be update in Q1 27/28.

6 Council Future Workforce

6.1 Overall Project RAG & Milestones

Below is an extract of the first page of the PRMS project dashboard which contains the Overall Project RAG and Key Project Milestones against which, project progress is tracked:-

Workstream: My Highland Future - Targeted

Project: Council Future Workforce **G**

We will work with partners to enable more effective talent attraction to the Highland area to address recruitment challenges.

ACTVITY
Highland Council is to be a model employer for workforce development to meet its anticipated replacement demand for staff in key professional areas. It needs to market itself as an employer of choice and work with partners to develop pathways to jobs and alternative recruitment approaches. It is building on partnership-wide talent-attraction work and programme delivery with college and university partners.

PROJECT ELEMENTS
- Analysis of employment demand in THC and partners by sector.
- Marketing of Highland as an employment destination of choice.
- Development of mentor / champion programme for staff.
- Create business case for investment in 'Growing our own pathways'.
- Investment in specific family of apprenticeships (foundation, modern and graduate), including shared apprenticeship models.
- Focus on job creation for those furthest from the labour market.

CORPORATE RISK HCR03 MITIGATION

Portfolio: My Highland Future

Portfolio Sponsor: Assistant Chief Executive

MILESTONES		CURRENT STATUS
Starts Apr25 / Completes Aug25	Council Future Workforce: WP3b: Deliver pilot senior phase school pupils paid summer placements in THC	M5 25/26 Completed
Starts Jul25 / Completes Sep25	Council Future Workforce: WP1a: Analysis - Recruitment TalentLink data	M6 25/26 Completed
Starts Sep25 / Completes Jan26	Council Future Workforce: WP2a: Policy updates – deliver action plan to embed strategies	M10 25/26 Completed
Starts Sep25 / Completes Jan26	Council Future Workforce: WP4a: Co-ordinate/design collective cross-Council approach to promotional recruitment activities	M9 25/26 Completed
Starts Sep25 / Completes Jan26	Council Future Workforce: WP4b: Plan activities and content to be delivered promoting the Highland Council as an employer of choice	M9 25/26 Completed
Starts Sep25 / Completes Jan26	Council Future Workforce: WP2d: Develop toolkit for hosting a work placement/intern/work experience opportunity	M10 25/26 Completed
Starts Sep25 / Completes Feb26	Council Future Workforce: WP3c: Review and grow senior phase school pupils paid summer placements in THC	M11 25/26 Completed
Starts Aug25 / Completes Mar26	Council Future Workforce: WP2b: Recruitment – review, identify and action areas of improvement	M10 25/26 Completed
Starts Feb26 / Completes May26	Council Future Workforce: WP1b: Work with schools/Social work to understand related business intelligence	M1 26/27 Completed
Starts Sep25 / Completes Dec26	Council Future Workforce: WP3a: Work with Highland schools to develop pathways into the Highland Council	M7 26/27 On Target
Starts Jan26 / Completes Oct26	Council Future Workforce: WP1c: Work with HR Data team to triangulate data	M7 26/27 Some Slippage
Starts Jan26 / Completes Oct26	Council Future Workforce: WP2c: Inductions – review, identify and action areas of improvement	M7 26/27 On Target
Starts Mar27 / Completes Mar27	Council Future Workforce: Project Closure and transfer to BAU	M7 26/27 On Target

6.2 Overall Project RAG

The majority of the milestones are now completed.

6.3 Milestones

Two milestones show some slippage, both down to resource issues. Appointments to vacant posts have now been made and further mitigation was put in place when the portfolio board agreed to extend the completion dates to December 2026.

6.4 Key Risks & Measures of Success

Below is an extract of the second page of the PRMS project dashboard which sets out the Key Risks and Measures of Success for the project:-

MEASURES OF SUCCESS	CURRENT STATUS
Council Future Workforce: Activities supporting THC recruitment - Starts reporting FY25/26 - Annual	22
Council Future Workforce: No. of staff engaging in self-development - Starts reporting FY25/26 - Ann	17
Council Future Workforce: Young people (16-19) starting jobs within the Council - Starts reporting F	60
Council Future Workforce: No. of people starting Modern or Graduate Apprenticeships in THC - Starts	87
Council Future Workforce: % THC advertised vacancies filled - Starts reporting FY25/26 - Annual	
Council Future Workforce: % THC staff turnover - Starts reporting FY25/26 - Annual	11 %
Council Future Workforce: No. of senior phase school pupils in paid Summer Placements with THC - AY2	32

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
Council Future Workforce: Failure to improve recruitment and retention to supply future Council workforce	8	Tolerate

6.5 Key Risks

There are no new or emerging risks to report at this stage, and no changes to existing risks. Current risk mitigations remain appropriate, and risks continue to be monitored through established governance arrangements.

6.6 Financial Measures

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

6.7 Performance & Measures of Success

All performance and measure of success figures are shown above.

7 Roads & Infrastructure Improvements Programme

7.1 Roads & Amenities Redesign

7.1.1 Overall Project RAG & Milestones

Below is an extract of the first page of the PRMS project dashboard which contains the Overall Project RAG and Key Project Milestones against which, project progress is tracked:-

Workstream: Highland Investment Plan

Roads & Amenities Redesign **A**

ACTIVITY:
The restructure carried out for the Place Cluster has allowed much closer managerial and operational synergy between Roads and Amenities activity, and the two redesign projects will be taken forward in tandem. The purpose of the project is to implement the recommendations provided by Managementors, the consultants who were appointed to look objectively at the Roads and Amenities operations during 2025.

PROJECT ELEMENTS:

The Amenities aspect of the project is to deliver a new operating model that will address key aspects including cost management, mitigation of inefficiencies, enhancement of productivity, scheduling, route optimisation, identification of commercial opportunities, and ensuring equity of service provision across all council wards and service types.

The Roads Redesign Project – Phase 2 builds upon the foundational work of Phase 1, focusing on modernising service delivery, enhancing operational efficiency and improving stakeholder satisfaction.

Portfolio: Reconfiguring our Asset Base

Portfolio Sponsor: Assistant Chief Executive

MILESTONES		CURRENT STATUS
Starts Jan 26 / Completes Jun 27	Amenities - Asset Management: Provide asset management system for resource management and cost control	M7 26/27 Some Slippage
Starts Nov25 / Completes Mar27	Amenities - Financial Management: Establish service delivery costs and viability of a Corporate budget for routine maintenance	M7 26/27 Some Slippage
Starts Jan26 / Completes Mar27	Amenities - Plant & Resources: Plant and equipment utilisation review	M7 26/27 On Target
Starts Dec25 / Completes Mar27	Amenities - Service Delivery: Resource allocation and workforce planning based on Asset maintained to deliver Output Specification	M6 26/27 Some Slippage
Starts Jan26 / Completes Apr27	Amenities - Grass Cutting: Develop active route management	M7 26/27 On Target
Starts Apr26 / Completes Jul27	Amenities - Performance Management: Develop KPI's based on Output Specification and APSE reporting	M7 26/27 Some Slippage

MILESTONES		CURRENT STATUS
Starts Aug25 / Completes Nov25	Roads Improvement - TTRO Software: Software Development	M8 25/26 Completed
Starts Jul25 / Completes Oct25	Roads Improvement - AI Cameras: Market research	M7 25/26 Completed
Starts Nov25 / Completes Dec25	Roads Improvement - AI Cameras: Business Case Development	M9 25/26 Completed
Starts Sep25 / Completes Dec25	Roads Improvement - Route Optimisation: Market research	M10 25/26 Completed
Starts Nov25 / Completes Feb26	Roads Improvement - Job Card Digitisation: Discovery/Scoping. Internal engagement/workshops	M1 26/27 Completed
Starts Dec25 / Completes Feb26	Roads Improvement - Route Optimisation: Business Case Development	M12 25/26 Completed
Starts Feb26 / Completes ?	Roads Improvement - AI Cameras: Business Case submission to SMT Team	M1 26/27 Completed
Starts Mar26 / Completes May26	Roads Improvement - AI Cameras: Demos and Full Spec Completion	M3 26/27 Completed
Starts Feb26 / Completes ?	Roads Improvement - Route Optimisation: Business Case submission to SMT Team	M1 26/27 Completed
Starts Apr26 / Completes Jun26	Roads Improvement - Route Optimisation: Demos and Full Spec Completion	M6 26/27 Completed
Starts Jun26 / Completes Nov26	Roads Improvement - AI Cameras: Procurement	M6 26/27 On Target
Starts Jul26 / Completes Dec26	Roads Improvement - Route Optimisation: Procurement	M6 26/27 On Target

7.1.2 Overall Project RAG

The roads and amenities redesign project continues as planned. It is Rag'd amber due to some delays on some milestones as the result of ensuring approval to hire new Operational Managers. This has now been resolved and will allow all other aspects to continue. Some delays with procurement within some milestones are expected due to increased workload of relevant staff, and timings of specific council processes, although the overall delays should be short, and delivery should still occur broadly within planned timescales. Communication is ongoing with procurement staff to ensure timely delivery. It has been proposed that a milestone review take place in the near future to ensure any new aspects of the redesign process are included, and that new milestones are added for existing workstreams that are ongoing beyond the currently listed milestones.

7.1.3 Milestones

A milestone review for roads improvement will be undertaken in the near term

7.1.4 Key Risks & Measures of Success

Below is an extract of the second page of the PRMS project dashboard which sets out the Key Risks and Measures of Success for the project:-

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

7.1.5 Key Risks

There are no new or emerging risks to report. Existing risks remain unchanged and continue to be monitored through the project risk register and established governance arrangements.

7.1.6 Financial Measures

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

7.2 Corran Ferry Infrastructure

7.2.1 Overall Project RAG & Milestones

Below is an extract of the first page of the PRMS project dashboard which contains the Overall Project RAG and Key Project Milestones against which, project progress is tracked:-

Workstream: Highland Investment Plan

Project: Corran Ferry Infrastructure — G

ACTIVITY

to progress and deliver improvements to the Corran ferry service.

PROJECT ELEMENTS

- To progress the plans for a new Corran Ferry Vessel and to deliver improvements to the slipways and berthing.

Portfolio: Reconfiguring our Asset Base

Portfolio Sponsor: Assistant Chief Executive

MILESTONES		CURRENT STATUS
Starts Jun24 / Completes Jun 25	Road and Trans. Prog.: Corran Ferry Land Acquisition	M6 26/27 On Target
Starts Apr25 / Completes Mar27	Road and Trans. Prog: Delivery of Corran Ferry infrastructure improvements	M6 26/27 On Target
Starts Aug25 / Completes Feb27	Road and Trans. Prog.: Corran Ferry Construction	M6 26/27 On Target
Starts Mar27 / Completes Mar28	Road and Trans. Prog.: Corran Ferry Project Closure	M6 26/27

7.2.2 Overall Project RAG

Construction is progressing well and will be complete summer 2027.

7.2.3 Milestones

Progressing as planned.

7.2.4 Key Risks & Measures of Success

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
Road and Trans. Prog: Corran Ferry Delay in Planning and Marine licenses	0	closed
Road and Trans. Prog: Corran Ferry Delays in Infrastructure Upgrades for Electric Vessel	9	Tolerate

MEASURES OF SUCCESS		CURRENT STATUS
£	Corran Ferry Fare Increase - FY 26-27 (Current FY Forecast)	£ 100,000

7.2.5 Key Risks

7.2.6 Financial Measures

Forecast to be £30,000 short of target.

7.3 Active Travel

7.3.1 Overall Project RAG & Milestones

Below is an extract of the first page of the PRMS project dashboard which contains the Overall Project RAG and Key Project Milestones against which, project progress is tracked:-

Workstream: Highland Investment Plan

Project: Active Travel — G

ACTIVITY

to support and deliver the priorities and actions identified in the Highland Council's emerging local transport strategy, Active Travel Strategy and Road Safety Plan

PROJECT ELEMENTS

- To prepare and carry out a programme of measures designed to promote Active Travel and to improve road safety, including taking forward the new 20MPH Speed Limit Reduction.

Portfolio: Reconfiguring our Asset Base

Portfolio Sponsor: Assistant Chief Executive

MILESTONES		CURRENT STATUS
Starts/Completes Feb25	Road and Trans. Prog: Local Transport Strategy approved	M11 24/25 Completed
Starts Apr25 / Completes Mar26	Road and Trans. Prog: Culbokie Active Travel Village	M2 26/27 Completed
Starts Dec25 / Completes Feb26	Road and Trans. Prog: Annual Submission of Active Travel Infrastructure Construction and Design applications	M11 25/26 Completed
Starts Mar25 / Completes Mar27	Road and Trans. Prog: Local Transport Strategy Delivery Plan progressed and finalised	M11 25/26 Completed
Starts Apr25 / Completes Mar26	Road and Trans. Prog: Delivery of Highland Council's Annual Active Travel Capital allocation	M6 26/27 On Target
Starts Feb25 / Completes Mar26	Road and Trans. Prog: Wick High Street	M2 26/27 Some Slippage

7.3.2 Overall Project RAG

The project is ragged Green. All undertakings are on target.

7.3.3 Milestones

Wick is complete apart from snagging issues which are to be resolved in the very near term.

7.3.4 Key Risks and Measures of Success

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
Roads Capital Projects: Impact of high inflation	6	Tolerate
Road Safety & Active Travel: Reduction in External Funding Streams	6	Tolerate

MEASURES OF SUCCESS	CURRENT STATUS
Road and Transport Programme: No. new/improved facilities re Active Travel [reporting starts Q1 24/25]	80
Road and Trans. Prog.: Spend of annual Highland Council's Active Travel Captial Allocation [reporting starts FY25/26]	£ 587,000
Road and Transport Programme: Reduction of injury collisions [reporting starts FY23/24]	82

8 Battery Storage System – former Torvean Quarry

8.1 Overall Project RAG & Milestones

Workstream: Investment & Innovation

Project: Feasibility Study - former Torvean Quarry — G

Collaborate with industry specialists to develop an investible model aligned to the Region's renewable energy potential.

Activity:
Collaborating with renewable energy experts, we'll design an investible model tailored to the Highlands' abundant renewable energy potential and the urgency to manage grid demand on a constrained network. Highlighting the region's appeal, we'll showcase the opportunity for investors to spearhead the development of a cutting-edge battery energy storage system, promising sustainable growth and grid stability.

Project Elements:
- Identify development sites with grid export potential.
- Engage with potential developers to establish an investible proposition with the maximum opportunity for the Council.
- Establish financial model for investment.
- Address local community concerns over safety.

Portfolio: Net Zero, Energy Investment & Innovation

Portfolio Sponsor: Assistant Chief Executive

MILESTONES		CURRENT STATUS
Marked as completed Feb24	Battery Storage: Grid connection awarded	M11 23/24 Completed
Marked as completed Mar24	Battery Storage: Initial developer proposal engagement	M12 23/24 Completed
Starts Apr24 / Completes Sep24	Battery Storage: Business case prepared and approved	M9 24/25 Completed
Starts Apr24 / Completes Jan25	Battery Storage: Issue Preliminary Market Consultation [PMC]	M10 24/25 Completed
Starts Apr25 / Completes Jun25	Battery Storage: Tender issued	M4 25/26 Completed
Starts / Completes Nov 25	Battery Storage: Contract award	M9 25/26 Some Slippage
Starts / Completes Nov 25	Battery Storage: Site lease commenced; lease payments received	M9 25/26 Some Slippage
Starts Aug25 / Completes Aug26	Battery Storage: Facility construction to commissioned and operational	M9 25/26 Some Slippage
Starts / Completes Aug26	Battery Storage: Revenue share received	
Starts Aug 25 / Completes Aug 26	Battery Storage: Closure Milestone	M9 25/26 Some Slippage

8.2 Overall Project RAG

Project background:-

In September 2025, the Project Team published a procurement exercise for Torvean Battery Energy Storage System (BESS) on Public Contract Scotland. While evaluation of tender responses was on-going, the Team received notification that the NESO Connections Reform Gate 2 to Whole Queue process had resulted in the project receiving a Gate 1 offer.

Formal notification has since been received, and the distribution connection offer has been amended to a date later than October 2027. Battery energy storage technology was more than two times oversubscribed across the UK and no projects without additional protections, such as planning permission, received Gate 2 offers.
As a result, the Project Team formally requests closure of the Battery Storage System project.

Project Status: Green

The project is green because the feasibility study for Torvean has commenced with a view that the organisation will develop a renewables hub within the site boundaries. Should an alternative approach for the site be reached, a full review of risks, milestones and measures of success will be completed. We have a defined project with initial ecology and planning agreement ready to progress with the Scottish Government interested in discussing funding as part of the Heat Network Project.

8.3 Milestones

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

8.4 Key Risks

Upon approval of project closure, a full review will be completed for project and programme level risks.

8.5 Financial Measures

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

8.6 Forward Plan

The revised project scope will focus on ground-mounted solar PV panels that operate to support local council assets, including Inverness West Bank Heat Network Project, with a primary objective of reducing operational energy costs through locally generated renewable electricity.

The Council has completed preliminary work examining how solar PV could improve the viability and operating costs of local assets. This included assessing current solar generation, identifying the additional capacity required, and modelling the impact of increased solar PV. Significant surplus generation occurs during the summer months when heat demand is at its lowest.

Consideration is also given to the inclusion of a small on-site battery storage facility, designed to optimise on-site consumption and manage surplus generation. The Project Team seeks to assess behind-the-meter solar PV solutions, options for private wire or CPI-linked PPA arrangements, and opportunities to integrate generation with nearby demand.

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

Further work will take place post-closure to define practical, deliverable alternative energy uses for the site.

9 EV Infrastructure

9.1 Overall Project RAG & Milestones

Below is an extract of the first page of the PRMS project dashboard which contains the Overall Project RAG and Key Project Milestones against which, project progress is tracked:-

Workstream: Investment & Innovation

Project: EV Infrastructure G

Expansion of EV Infrastructure to provide a reliable network for both public and fleet use.

Activity

Expansion of EV Infrastructure to provide a reliable network for both public and fleet use; delivering a carbon saving to meet SG targets for transport and rural accessibility to charging infrastructure. The project is via Shared Procurement Service: Highland, Aberdeenshire, Aberdeen City and out-with the service with Moray. SG funding for LAs involved is £7.5 million.

Project Elements:
- Appoint commercial partner.
- Establish regional EV strategy.
- Identify and rank suitable sites for new infrastructure.
- Design and install.
- Compliance – EV regulations and legal guidance.

Portfolio: Net Zero, Energy Investment & Innovation

Portfolio Sponsor: Assistant Chief Executive

MILESTONES		CURRENT STATUS
Marked as completed Jan24	EV Infrastructure: Council receive funding offer from TS	M10 23/24 Completed
Starts Apr24 / Completes Aug24	EV Infrastructure: Project Board established	M7 24/25 Completed
Starts Apr24 / Completes Jun24	EV Infrastructure: Tender issued	M2 24/25 Completed
Starts Jul24 / Completes Sep24	EV Infrastructure: Commercial partner appointed	M3 25/26 Completed
Starts Apr25 / Completes Jun25	EV Infrastructure: Income share being received	M2 26/27 Completed
Starts Sep 26 / Completes Oct 26	EV Infrastructure: Review transition stage	M6 26/27 On Target
Starts Nov 26 / Completes Jan 27	EV Infrastructure: Project Closure Milestone 1/11/26 to 31/1/27	M6 26/27 On Target

9.2 Overall Project RAG

The EV Infrastructure Project is delivering the expansion of public and fleet electric vehicle charging infrastructure across Highland, Aberdeen City, Aberdeenshire and Moray Councils, supporting regional decarbonisation, sustainable transport and improved accessibility to charging services. The project is funded by **Transport Scotland** and privately financed by **EZO**, enabling the delivery of a comprehensive charging network without the need for significant upfront capital investment from the partner councils. Through a combination of existing asset transition and new infrastructure deployment, the project is creating a reliable, commercially sustainable charging network that supports the continued uptake of electric vehicles across the region.

The EV Infrastructure Project remains Green, with key milestones continuing to be delivered on schedule and the project progressing in line with approved timelines.

Key progress since last update:-

- Successful completion of the migration of 377 electric vehicle charge points from the ChargePlace Scotland network across the four partner councils.
- Of these, 142 charge points are located within Highland Council's area, that are on the EZO network.
- Income generation for FY2026/27 remains on track, with revenue performance meeting forecast expectations of £50,000 following the transition to the new commercial operating arrangements.
- Installation works associated with the Pathfinder 1 programme are progressing across approved sites, supporting continued expansion of the regional charging network and increasing access to EV charging infrastructure for residents, businesses and visitors.

9.3 Milestones

The project has successfully completed all milestones to date and remains on track to deliver the remaining programme milestones:

- Review Transition Stage (M6 2026/27) – On target; and
- Project Closure (M6 2026/27) – On target

9.4 Key Risks & Measures of Success

Below is an extract of the second page of the PRMS project dashboard which sets out any Key Risks and Measures of Success for the project:-

INVESTMENT	
£ EV Infrastructure: Investment: EGF (Current FY Forecast)	£ 0

MEASURES OF SUCCESS	CURRENT STATUS
£ Income Generation: EV Infrastructure: Income - FY 25-29 (Current FY Forecast)	£ 107,188
No. HC & Public EV Charger Sites	144
EV Infrastructure: % Availability of EV Units (4 Councils) [reporting starts 2024/25]	99.9 %
EV Infrastructure: % Availability of EV Units (Highland) [reporting starts 2024/25]	99.9 %
EV Infrastructure: Increase no. sessions on EV sites (4 Councils)	56,021
EV Infrastructure: Increase no. sessions on EV sites (Highland)	56,021
EV Infrastructure: Improvement to Existing EV facilities for users [reporting starts 2024/25]	19
EV Infrastructure: Increased utilization measured in kWh (4 Councils) [reporting starts 2024/25]	406,647
EV Infrastructure: Increased utilization measured in kWh (Highland) [reporting starts 2024/25]	169,591

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
EV Infrastructure: Grid Restraints	6	Tolerate
EV Infrastructure: Contractor & Councils Capacity	0	Closed
EV Infrastructure: Constraints of land that the council does not own	0	Closed
EV Infrastructure: Main Contractor Not Appointed	0	Closed

9.5 Key Risks

It has been identified there is a risk that:-

‘Charging infrastructure may not be delivered due to constraints on the electricity grid.’

Primary risk category: Operational & Service delivery

To mitigate this risk, the project team and EZO will work alongside SSE to understand current and relevant future grid constraints, and the associated impact on the delivery of future sites.

9.6 Financial Measures

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

9.7 Performance & Measures of Success

The project continues to demonstrate strong performance against its key success measures, highlighting both the operational effectiveness of the charging network and the benefits being delivered across the region.

The Highland network comprises 144 public EV charging sites with expansion plans within Pathfinder 1, providing broad geographic coverage and supporting increased confidence in electric vehicle adoption. Following the successful migration from ChargePlace Scotland, network performance remains high, with 99.9% charger availability across both the four-council network and Highland's charging estate

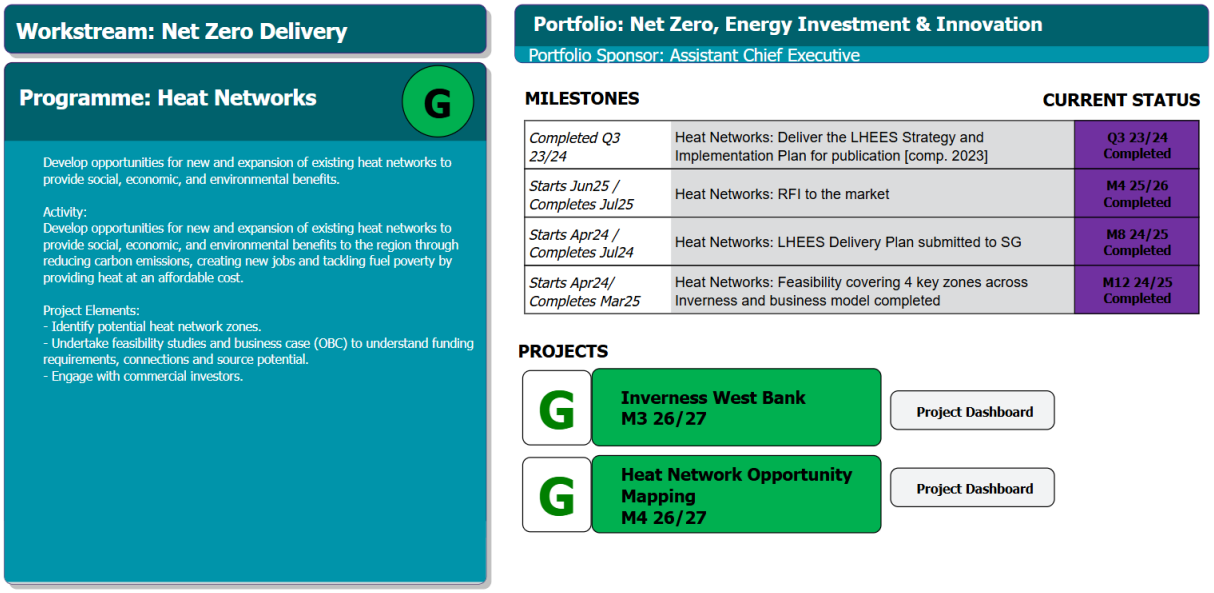
Sustained utilisation and growing uptake of electric vehicles by residents, businesses and visitors is further reflected in energy consumption figures.

From a financial perspective, the project is delivering positive returns, with £107,188 income generated to date against the FY26/27 forecast period. Revenue performance remains on track and reflects the successful transition to the new commercial operating model established through the partnership with EZO.

10 Heat Networks

10.1 Overall Project RAG & Milestones

Below is an extract of the first page of the PRMS project dashboard which contains the Overall Project RAG and Key Project Milestones against which, project progress is tracked:-



Workstream: Net Zero Delivery

Programme: Heat Networks G

Develop opportunities for new and expansion of existing heat networks to provide social, economic, and environmental benefits.

Activity:
Develop opportunities for new and expansion of existing heat networks to provide social, economic, and environmental benefits to the region through reducing carbon emissions, creating new jobs and tackling fuel poverty by providing heat at an affordable cost.

Project Elements:
- Identify potential heat network zones.
- Undertake feasibility studies and business case (OBC) to understand funding requirements, connections and source potential.
- Engage with commercial investors.

Portfolio: Net Zero, Energy Investment & Innovation

Portfolio Sponsor: Assistant Chief Executive

MILESTONES		CURRENT STATUS
Completed Q3 23/24	Heat Networks: Deliver the LHEES Strategy and Implementation Plan for publication [comp. 2023]	Q3 23/24 Completed
Starts Jun25 / Completes Jul25	Heat Networks: RFI to the market	M4 25/26 Completed
Starts Apr24 / Completes Jul24	Heat Networks: LHEES Delivery Plan submitted to SG	M8 24/25 Completed
Starts Apr24/ Completes Mar25	Heat Networks: Feasibility covering 4 key zones across Inverness and business model completed	M12 24/25 Completed

PROJECTS

G **Inverness West Bank M3 26/27** — Project Dashboard

G **Heat Network Opportunity Mapping M4 26/27** — Project Dashboard

Inverness West Bank — G

The West Bank Heat Network project is being progressed to explore opportunities to deliver low-carbon heat infrastructure within the area. The project supports wider decarbonisation objectives by assessing the potential for shared heating solutions, improving energy efficiency, reducing carbon emissions, and informing future investment decisions. It will help develop the evidence base required to understand the feasibility, benefits and potential delivery options for low-carbon heat solutions in the area.

MILESTONES		CURRENT STATUS
Starts Apr 25 / Completes Apr 26	01: Feasibility Study Completed	**M1 25/26 Completed**
Starts May 26 / Completes Dec 26	02: Outline Business Case (OBC) developed and approved	**M6 26/27 On Target**
Starts Sep 26 / Completes Jan 27	03: Approval to develop Full Business Case (FBC)	**M6 26/27 On Target**

Heat Network Opportunity Mapping — G

The LHEES Delivery Plan provides a structured programme of work to support the implementation of the Highland Local Heat and Energy Efficiency Strategy and wider net zero objectives. The plan aligns with national and local policy priorities by identifying and developing projects that contribute to the decarbonisation of heat, improved energy efficiency and the transition to low-carbon energy systems. Activities include horizon scanning to identify emerging opportunities, undertaking feasibility studies, and developing businesses cases to support future investment and delivery decisions.

MILESTONES		CURRENT STATUS
Starts Dec 23 / Completes Dec 28	01: Horizon Scan	**M6 25/26 On Target**
Starts Dec 23 / Completes Dec 28	02: Feasibility studies completed	**M6 25/26 On Target**
Starts Dec 23 / Completes Dec 28	03: Develop an Outline Business Case (OBC) and/or Strategic Outline Case (SOC)	**M6 25/26 On Target**

10.2 Overall RAG

The programme remains on track and is currently rated as Green.

Work is continuing on the development of the Outline Business Case (OBC) for the West Bank area of Inverness. Funding has been awarded through the Scottish Heat Network Support Unit (HNSU) to provide independent critical friend support, helping to review and strengthen the OBC as it progresses.

As part of the wider Heat Network Opportunity Mapping project and following the publication of the Local Heat and Energy Efficiency Strategy (LHEES) and its Delivery Plan, several feasibility studies and heat network opportunity assessments have been undertaken to review and validate potential heat network opportunities across Highland. The identified opportunities remain under review, with ongoing stakeholder engagement helping identify any additional opportunities that may support future heat network development.

The Council continues to be represented on the Heat Network Scotland Steering Group, contributing to national discussions on heat network development and helping to shape the future direction of the sector in Scotland. In addition, through participation in the Scottish Danish knowledge exchange programme, the Council is working with Danish partners to share best practice and lessons learned from the development and operation of heat networks in Denmark.

10.3 Key Risks & Measures of Success

Below is an extract of the second page of the PRMS project dashboard which sets out any Key Risks and Measures of Success for the project:-

INVESTMENT	
£ Heat Networks: Investment: EMR (Current FY Forecast)	£ 15,000

MEASURES OF SUCCESS	CURRENT STATUS
Heat Networks: Secure Inward Investment [reporting starts FY26/27]	
Heat Networks: Determine the optimum delivery model [reporting from Q2 2026]	

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
Heat Networks: Missed Investment Window	9	Tolerate
Heat Networks: Feasibility	6	Tolerate

10.5 Key Risks

There are no new or emerging risks to report. Existing risks remain unchanged and continue to be monitored through the project risk register and established governance arrangements.

10.6 Financial Measures

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

Designation: Assistant Chief Executive - Place

Date: 5 October 2026

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Background Papers: None

Appendices: None