Shetland Islands Council

Climate Change Progress Report 2024/25

Public Bodies Report on Compliance with Climate Change Duties 2024/25

Contents

Executive Summary

The 2024/25 SIC Annual Climate Change Report follows on from the first progress report published for 2023/24. It details how we have progressed towards our climate targets set within our Net Zero Route Map, and how we have progressed activity set out in the action plan, within the report year. It also sets out our priority areas for climate related activity for the following report year, 2025/26.

Emissions

In 2024/25, annual greenhouse gas emissions have reduced by 2,836 tonnes from 2023/24, and 15,509 tonnes from our 2019/20 baseline figure. This is a 11% reduction from our 2019/20 baseline. This is almost in line with the 11.7% emissions reduction target set for the Council in our Net Zero Route Map for 2024/25.

Progress on our 2024/25 target

	2019/20 Baseline (tCO_2e)	**2024/25 Target (tCO_2e)**	**2024/25 Actual (tCO_2e)**	**Target % Reduction on Baseline**	**Actual % Reduction on Baseline**
Domestic	18,992	16,495	18,293	14.9%	3.7%
Non-Domestic	8,766	7,075	7,754	19.3%	11.5%
Transport	19,086	16,551	16,993	13.3%	11%
Infrastructure	21,907	20,590	20,831	6.0%	4.9%
Land	72,517	64,069	61,948	11.7%	14.6%
TOTAL	**141,268**	**124,780**	**125,759**	**11.7%**	**11%**

Since our baseline year of 2019/20, emissions have reduced across all areas of the Council, although in some areas by more than others. Significant reductions have been made within land, predominantly through the Council selling landholdings. Within the categories of buildings (domestic and non-domestic), transport and infrastructure we see emissions reductions; however these are short of targets set.

A summary of each sector is provided below.

Transport

Significant reductions have been seen in our transport emissions since our baseline year, largely due to service and behaviour changes adopted during the response to Covid-19. A sharp drop in transport emissions was seen in 2020, however

emissions from transport have started to rise again as we have returned to ‘the new normal’, with emissions now missing our target reduction amount for 2024/25.

Use of grid electricity by fleet vehicles has decreased by 30% between 2023/24 and 2024/25. The percentage of fleet vehicles that are fuelled from clean sources has also decreased, reducing from 15.13% to 13.02%. Part of the rationale behind this is the difficulty with installing charging infrastructure in required locations for council fleet vehicles due to lack of available capacity on the Shetland electricity grid. This is an area that urgently needs to be resolved for the ‘Greening the Fleet’ programme to get on track and meet targets.

The amount of marine gas oil used in our ferry fleet has remained steady across the years with a slight increase shown in 2024/25. The ferry fleet alone accounts for approximately 70% of council transport emissions, and approximately 20% of overall council emissions for 2024/25 (this excludes land; when land is included, ferries account for approximately 9% of overall council emissions).

It is essential to retain some of the behavioural changes adopted, such as reduced business travel and reduced commuting, to ensure we remain in line with pathway emissions set for transport. In addition to retaining the behavioural changes, a fleet transition plan, like the existing ‘Greening the Fleet’ road-based transition plan should be developed for our air and sea-based fleet. This should include the appropriate funding and investment and must be developed and implemented as a priority to meet the emissions reductions needed. All plans, including ‘Greening the Fleet’ should be updated to include an assessment of external interdependencies and risks with mitigation measures to meet the plan.

Collaboration across the following pieces of ongoing work is required to ensure a holistic approach is taken in transitioning our transport sector:

- Shetland Inter-Island Transport Connectivity Programme
- Public Transport Connectivity Review
- Greening the Fleet Programme
- EV Infrastructure Strategy and Roll Out
- Shetland Car Club Project
- Rural Energy Hub Project - Transport Connectivity Review
- Rural Energy Hub Project - Electric Bus Trial
- Active Travel Projects
- Alternative Fuel Trials – HVO
- Shetland Energy Strategy
- SIC Estate Decarbonisation Project

Domestic Buildings (SIC Council Housing)

For our domestic buildings data is taken from the Home Analytics Database (HAD) which is largely based on available EPC information and, after that, best information available. It is the only tool available to establish figures for domestic energy consumption across the stock at the current time. The heating figures taken from

HAD show a steady level of emissions across our housing stock over the years from our baseline.

The Council's housing stock is almost entirely heated from zero carbon emissions sources at 98.27% zero carbon, which puts the council in a very strong position to meet our target of 100% of housing being net zero by 2030.

Within this report year, domestic buildings accounts for 29% of overall Council emissions (This excludes land; when land is included, domestic buildings accounts for approximately 14.6% of overall Council emissions). Once Shetland is connected to the UK electricity network, expected in late 2026, emissions from our housing stock will significantly decrease. Although our housing stock will be almost entirely heated from zero carbon sources at that point, work will continue on making houses more energy efficient, to reduce energy use and benefit tenants.

There is still the need to improve the energy efficiency of our housing stock to create a comfortable environment and alleviate fuel poverty for our tenants. A Housing Energy Efficiency Strategy and Plan should be developed and implemented as a priority, including funding and investment. Work has been unable to progress as planned in this area as there has not yet been an update from Scottish Government on the Social Housing Net Zero Standard.

Careful consideration is required around funding and investment of housing energy efficiency so as not to increase rent poverty whilst attempting to reduce fuel poverty.

Non-Domestic Buildings (Operational Estate)

Energy use in the operational estate has decreased across all fuel sources, which includes; grid electricity, district heating, LPG, gas oil, burning oil and wood pellets. One of the main reasons for this is works undertaken to optimise the operation of building energy systems. Works will continue in this area.

61% of energy used in our operational estate in 2024/25 was from clean energy sources, which include electricity and district heating. Gas oil is the second largest energy source used following electricity, accounting for 31% of all operational estate energy use.

46% of our emissions from the operational estate are attributed to Children's Services, followed by Infrastructure at 23% and Community Health and Social Care at 20%. Children's Services' building emissions include schools, children's social care residence, and facilities and offices occupied by Children's Services staff. Infrastructure building emissions include depots, ferry terminals, garage facilities and offices occupied by Infrastructure staff. Community Health and Social Care building emissions include care homes, social care residences, and facilities and offices occupied by Community Health and Social Care.

Our estate is broad ranging in terms of efficiency, age and building type. It is currently unsustainable. There are inconsistencies and gaps in the data and the

metrics we use to measure energy use and efficiencies in buildings. An estate decarbonisation plan, including the appropriate funding and investment is required, and must be implemented as a priority, to see the emissions reductions needed. Inconsistencies and gaps in data add additional challenge in developing this plan, so works are currently ongoing to build a comprehensive and consistent base of data on which the estate decarbonisation plan will be based.

There are strategies in place and several pieces of work currently ongoing, which inform and feed into an estate decarbonisation plan. These include:

- Continuation of the Estate Decarbonisation Project
- Property Asset Management Strategy
- Asset Investment Plan
- Building Maintenance Plan
- Rural Energy Hub Project – Hub Building Project
- Rural Energy Hub Project – Brae District Heating Feasibility
- Implementation of Local Heat and Energy Efficiency Strategy (LHEES)
- Alternative fuel trials – Hydrotreated Vegetable Oil (HVO)

Infrastructure

Our Infrastructure emissions cover all operational services provided by the council that are not covered through ‘buildings’ or ‘transport.’ This includes the Energy Recovery Plant, landfill, recycling, Rova Head, Scord Quarry, Street Lighting, Navigation Lights and Radar Station (Toft)

Emissions from Infrastructure for 2023/24 are 4.9% lower than our emissions baseline from 2019/20. We are behind our emissions target of 6%, set within Our Net Zero Route Map.

This section of emissions contains a range of inputs, which require an effort to gain a detailed understanding of how to reduce emissions appropriately, then to develop and implement plans, including the required funding and investment, to achieve this.

The ERP makes up two thirds of the council’s ‘Infrastructure’ emissions, and approximately 21% of overall council emissions for 2024/25 (this excludes land, when land is included, the ERP accounts for approximately 11% of the councils’ overall emissions). Waste heat from the ERP provides the main heat source for the Lerwick District Heating Network, which heats over 1200 properties with affordable energy.

There are a number of pieces of work currently ongoing, which would inform and feed into these areas. These include:

- The Road Asset Management Plan (RAMP)
- Development of a Shetland Waste and Resource Use Strategy
- Investigation into ERP emissions carbon capture
- Strategies and Plans for the Lerwick District Heating Network

Land

Land is included in the emissions data for the first time in this report year. At 51.3% of emissions, Land accounts for almost half of SIC's emissions in the baseline year of 2019/20. This is from degraded peatland on the Councils landholdings.

A significant emissions reduction of 10,569 tCO2e has been made in Land since the baseline year, predominantly through selling landholdings with degraded peatlands. Using Corine land cover data, approximately 863ha (out of the 1100ha of land sold since 2021) was classed as Peat Bog. It is important to note that selling this land hasn't removed these emissions, it has just transferred them out of Council responsibility.

In addition to land sold, 140ha of peatland restoration has taken place on the councils Busta Estate as part of the Viking Energy Project undertaken by SSE.

In 2024/25 Land makes up 49.6% of emissions.

There are a number of pieces of work currently ongoing, which would inform and feed into reducing emissions from land. These include:

- Shetland Tree and Woodland Strategy
- SIC Peatland Restoration Pilot Project
- Works with the Shetland Peatland Partnership

Projects and works have been initiated in each of these areas to review current practices, develop plans and put in place action to accelerate emissions reductions. This is set out within our SIC Climate Change Programme. Progress on projects within the Climate Change Programme is updated weekly and published online at the following link: SIC Climate Change Programme

This process puts the Council in the best possible position to plan action, navigate challenges and make progress.

Adaptation

Adaptation is about responding to and preparing for changes in climate. Even if we cut greenhouse gas emissions today, historical emissions mean the climate is changing and will continue to do so for decades to come. We therefore need to understand and prepare for potential impacts from changes to Shetland's climate to reduce the negative effects of climate change.

Climate Change is already impacting people and places in Shetland, highlighted through a few recent extreme weather events occurring. This will continue to intensify over the coming decades. Taking early action to adapt is required to increase resilience and reduce risks and impacts of events.

Emissions reduction has had most focus so far through the drive to meet climate targets. Adaptation goes hand-in-hand with mitigation as by globally reducing our greenhouse gas emissions, we can reduce the amount of climate change that we will have to adapt to. Also, in transitioning our services and infrastructure to reduce emissions, we can 'future-proof' and make them resilient at the same time.

It is important we understand the risks of climate change on our infrastructure, operations and services, and on the community, so that we can appropriately plan for, and mitigate impacts.

This year, the SIC Climate Change Risk Assessment Project has been established. This project will develop and agree a framework for a Climate Change Risk Assessment (CCRA) for SIC estate, infrastructure, assets and services, based on a pilot to be undertaken in the South Mainland of Shetland. The pilot will include data gathering, mapping and analysis, stakeholder engagement and workshops, climate change risk assessment, prioritised mitigation measures and adaptation plans, and a report on findings and recommendations for rolling out this work across the rest of the Council's estate and infrastructure.

Enablers and Impact

Key Performance Indicators (KPI) are set out to show and monitor progress in working towards our strategic objectives and our targets. We have set specific KPIs around Housing, Operational Estate, Transport, Infrastructure, Land and Engagement. We also continually review overall progress towards our Climate Change Strategy aims to ensure we remain focussed on working towards them.

In addition to project works delivering emissions reductions and adaptation measures we have recognised that works are required around enabling action to happen. Enablers focus on Leadership and Governance, Communications and Engagement, Data and Alignment, Raising Awareness and Procurement. Our Climate Change Programme Performance Reporting provides an update on all progress across the Climate Change Programme, including the Enablers. It is refreshed online every Wednesday to ensure the current information can be found at the following link: SIC Climate Change Programme

Emissions Factors

A Shetland Grid electricity emissions factor has been used within this report year, derived from Shetland's diesel fired power station. Although an interconnector between Shetland and the Mainland has now been installed, the Shetland Grid is not yet connected to the National Grid. Information from SSE indicates this connection is estimated to happen in the second half of 2026.

Once Shetland is connected to the National Grid, we will report electricity emissions using the UK grid emissions factor and so will see a significant drop in emissions associated with grid electricity use. This should be from the report year 2026/27. Once we start to report UK grid electricity emissions factor, we will see an annual drop in electricity emissions as the national grid decarbonises from the addition of renewable energy, with the pathway to be net zero by 2030.

Conclusion

SIC's first Climate Change Report, in 2023/24, made recommendations for how we can accelerate progress on climate action. This 2024/25 Climate Change Report reviews progress made in working towards recommendations made and updates these recommendations to be more relevant for what is required to achieve 2025/26 priorities.

A strong foundation has been set through climate leadership, governance and management that have been put in place with the SIC Climate Change Programme. The Council has been working on decarbonisation since the establishment of the Carbon Management Plan in 2006, with the majority of 'low hanging fruit' now achieved. We must now commit effort and investment, from both internal budgets and through seeking external funding, to accelerate our emissions reductions and work towards climate targets.

In progressing projects and workstreams across the past year, various interdependencies and barriers to decarbonisation have been identified. Examples of barriers include the Shetland electricity grid capacity, available funding, economic feasibility, behavioural change and energy regulation. In these cases, it is important to understand these barriers and their implications to progressing works to meet our climate targets. We must be proactive in finding solutions to overcome barriers to decarbonisation, and in building relationships with external stakeholders to accelerate progress. We must also be proactive in ensuring our strategies and plans are aligned across the Council, and that we are collaborating effectively, to make the most of resources and maximise the impact of our works.

As was stated in last year's report, climate action can deliver economic savings in the long term, but in the short to medium term we need greater investment, both financial and as committed resource, to make the change required to reach our goals. This is a challenge as across Local Government, budgets are stretched and finances available for delivering Council services are further constrained. Whilst much of climate action can deliver economic savings in the longer term, as efficiencies and/or reductions tend to be outcomes, initial investment is required to make the changes needed.

Climate change should be fully considered during investment prioritisation to maximise on the long-term benefits, co-benefits and links to other Council strategic priorities, such as reducing inequalities and long-term economic sustainability.

Background

Introduction

Climate change is the long-term shift in global climate patterns, including extreme weather events and rising sea levels, linked directly with the warming of the Earth's atmosphere.

The impacts of climate change are, and will continue to be, significant and wide reaching, with the most vulnerable in society likely to suffer the worst.

With the changing climate, there are numerous risks we are likely to be exposed to in Shetland. These include increased frequency of extreme weather events, increased rates of flooding, ocean acidification and warming, increased pests, pathogens and invasive species and disrupted supply chains. All these risks will influence our health and wellbeing, infrastructure, economy, and environment. It is therefore essential that we act to address climate change, through both mitigation and adaptation, to minimise the worst effects and to be prepared for a changing climate.

Scotland has set a target of being net zero by 2045. As a Local Authority, Shetland Islands Council has a statutory duty to reduce greenhouse gas emissions in line with Scotland's national target of 2045, and to demonstrate we are working towards this. This is set out within section 44 of the Climate Change (Scotland) Act 2009.

Shetland Islands Council acknowledged a Climate Emergency in January 2020, prompting the creation of the Climate Change Programme. The Programme's purpose is to minimise the risks of climate change to the Shetland community as far as possible, and to make the transition to net zero as beneficial as possible. At that time, the mandate was also set to establish an appropriate and informed target date for Shetland Islands Council to be net zero as an organisation, and for Shetland to be net zero as an area.

The first step in determining an appropriate target was to develop Net Zero Route Maps, for which consultancy 'Ricardo Energy and Environment' was appointed. The purpose of each route map was to establish a scope and methodology of measuring greenhouse gas (GHG) emissions. That included establishing an emissions baseline and developing pathways for what measures need to be taken for the Council as a singular organisation, and Shetland, as a defined area, to reduce emissions and reach net zero.

Council pathways included measures around decarbonising the fleet, vessels, estate, operations and land holdings. In November 2022, Shetland Islands Council approved the Net Zero Route Maps and set the mandate to develop a Shetland Islands Council Climate Change Strategy and Action Plan. The Plan includes a framework to allocate responsibility for actions and to measure, monitor and report on progress, using data and recommendations gained through the Net Zero Route Map project and report.

The Council's Climate Change Strategy and Action Plan is built upon data, information and insights gained through the Net Zero Route Map project, guidance from relevant government, authorities and bodies and best practice from other public bodies. It was developed in line with the Design Council's framework for innovation design methodology: the 'Double Diamond' design process. Logic modelling was utilised during development of each strategy section to aid in working towards achieving the outcomes.

The Climate Change Strategy sits across the entire Council, touching on every service area. It was developed through a systems approach, in collaboration with all service areas. Co-development ensured it was suitable for, and could be aligned to, Council service plans and operations. It also ensured it was fit-for-purpose and had the endorsement of service areas to work towards the objectives. During the development phase, a members' seminar was held to present the strategy and framework and gain feedback to ensure input from political leadership and community interests.

The purpose of the strategy is mitigation and adaptation, encompassed by the need for a Just Transition. Central to delivering the strategy is maximising the social, economic and environmental co-benefits to the Council and the community.

The body is comprised of 'Enablers', which provide the drive and framework for climate action, and 'Themes' which will guide Council operations towards decarbonisation sector-by-sector. The 'Enablers' are Leadership & Governance, Alignment, Money, Empowerment, and Communications. The 'Themes' are Energy, Buildings, Transport, Resources & Waste, Business & Industry, and Nature-based Solutions.

The Shetland Islands Council Climate Change Strategy and Action Plan was approved by the Council on the 13th of December 2023. Each year a progress report will be produced and published detailing progress made towards climate targets. This is the second SIC climate change progress report, following on from SIC Annual Climate Change Report 2023/24.

The Climate Change Strategy aims are:

- **We are an organisation and community that is resilient to our changing climate.**
- **We are a net zero organisation and community.**
- **Equality and fairness are at the heart of the transition to net zero.**
- **Opportunities to maximise the social, economic and environmental benefit to the community are optimised.**

Emissions

SIC emissions from the start of the baseline year to the end of the report year:

Reference Year	Scope 1	Scope 2	Scope 3	Total
2019/20	104,598	27,733	8,938	141,268
2020/2021	103,106	26,302	6,574	135,982
2021/2022	98,093	26,434	8,189	132,715
2022/2023	100,277	25,740	6,402	132,418
2023/2024	95,569	25,835	7,191	129,271
2024/2025	93,247	25,480	7,032	125,759

Emissions are measured in tCO_2e (unless otherwise stated)

The Greenhouse Gas (GHG) Protocol classifies a company's emissions into three scopes:

- Scope 1 - Direct emissions from sources owned or controlled by the company, such as burning fuel in company buildings and vehicles, operating the Energy Recovery Plant and emissions from land.

- Scope 2 - Indirect emissions from the generation of purchased energy, such as electricity, heat, or steam

- Scope 3 - All other indirect emissions that occur in the company's value chain, including emissions from purchased goods and services, business travel, and waste disposal. Within this report we have included business travel, staff commuting and waste disposal.

A full breakdown of emissions is included in Appendix B - Emissions Breakdown.

Targets

Annual emissions targets have been set for the Council as a part of our Net Zero Route Map process, with milestone years in 2030/31, 2035/36, 2040/41 and 2045/46. The table below shows the progress we have made in working towards our target for 2024/25, and our milestone targets.

Milestone Targets

	Baseline Year	Baseline Figure (tCO2e)	Target Year	Target Figure (tCO2e)	Target % Reduction on Baseline
TOTAL	2019/20	141,268	**2030/31**	75,015	46.9%
TOTAL	2019/20	141,268	**2035/36**	55,013	61.1%
TOTAL	2019/20	141,268	**2040/41**	33,283	76.4%
TOTAL	2019/20	141,268	**2045/46**	16,891	88.1%

Progress on our 2024/25 target (Including Land)

	2019/20 Baseline (tCO_2e)	2024/25 Target (tCO_2e)	2024/25 Actual (tCO_2e)	Target % Reduction on Baseline	Actual % Reduction on Baseline
Domestic	18,992	16,495	18,293	14.9%	3.7%
Non-Domestic	8,766	7,075	7,754	19.3%	11.5%
Transport	19,086	16,551	16,993	13.3%	11%
Infrastructure	21,907	20,590	20,833	6.0%	4.9%
Land	72,517	64,069	61,948	11.7%	14.6%
TOTAL	**141,268**	**124,780**	**125,759**	**11.7%**	**11%**

Progress on our 2024/25 target (Excluding Land)

	2019/20 Baseline (tCO_2e)	2024/25 Target (tCO_2e)	2024/25 Actual (tCO_2e)	Target % Reduction on Baseline	Actual % Reduction on Baseline
Domestic	18,992	16,495	18,293	14.9%	3.7%
Non-Domestic	8,766	7,075	7,754	19.3%	11.5%
Transport	19,086	16,551	16,993	13.3%	11%
Infrastructure	21,907	20,590	20,833	6.0%	4.9%
TOTAL	**68,751**	**60,711**	**63,811**	**11.7%**	**7.2%**

Overall Progress

Total SIC Emissions: Actual Emissions vs Pathway Emissions

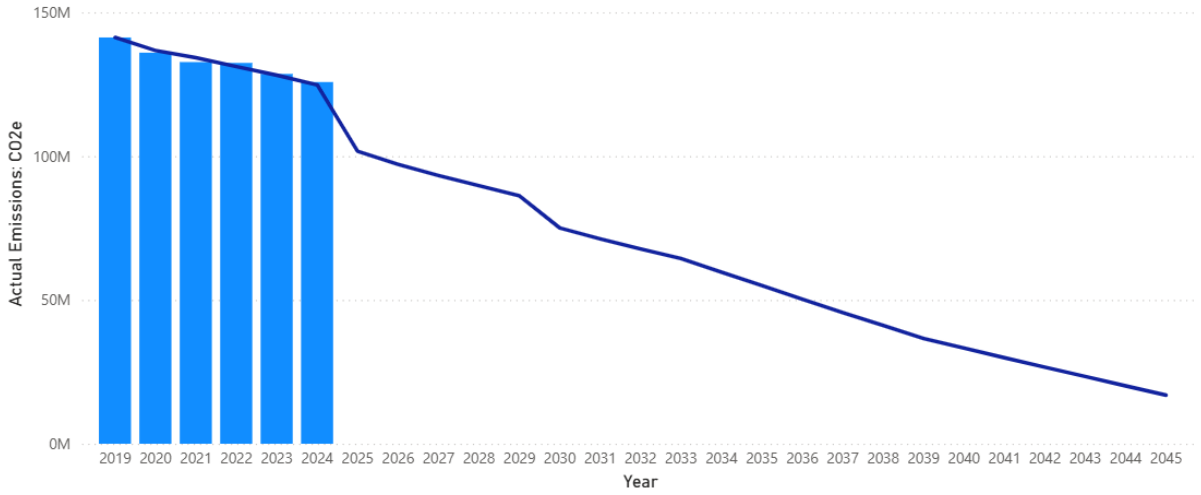
For the year 2024/25, we had a target of reducing our total emissions by 11.7% of our 2019/20 baseline. The actual emissions reduction achieved was 11%, which is almost in line with our emissions reduction target.

If we exclude land from these figures, we would have made an actual emissions reduction of only 7.2%, which falls behind our emissions target of 11.7%

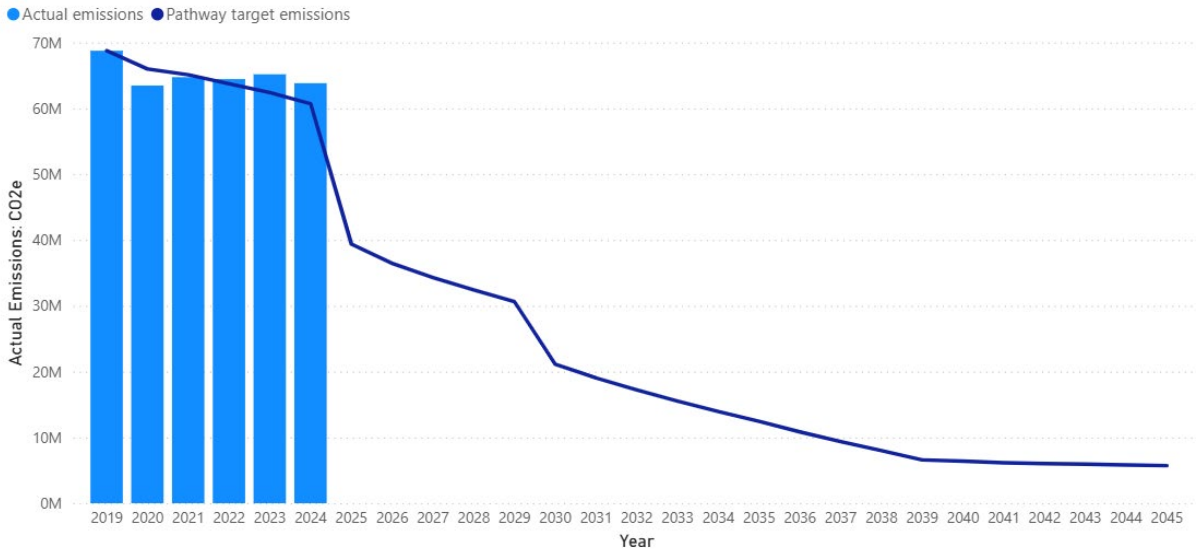
The graph below shows how our overall actual emissions perform against our target emissions. This includes all emissions across:

- Housing (Domestic)
- Operational Estate (Non-Domestic)
- Transport (Fleet, Vessels, Aircraft, Refuse Collection Vehicles, Council Buses, Roads Plant Vehicles, Grey Fleet, Business Travel, Commuting)
- Infrastructure (Energy Recovery Plant, Landfill, Recycling, Quarries, Street Lighting)
- Land.

Actual Emissions Against Target Pathway: kgCO2e (Including Land)



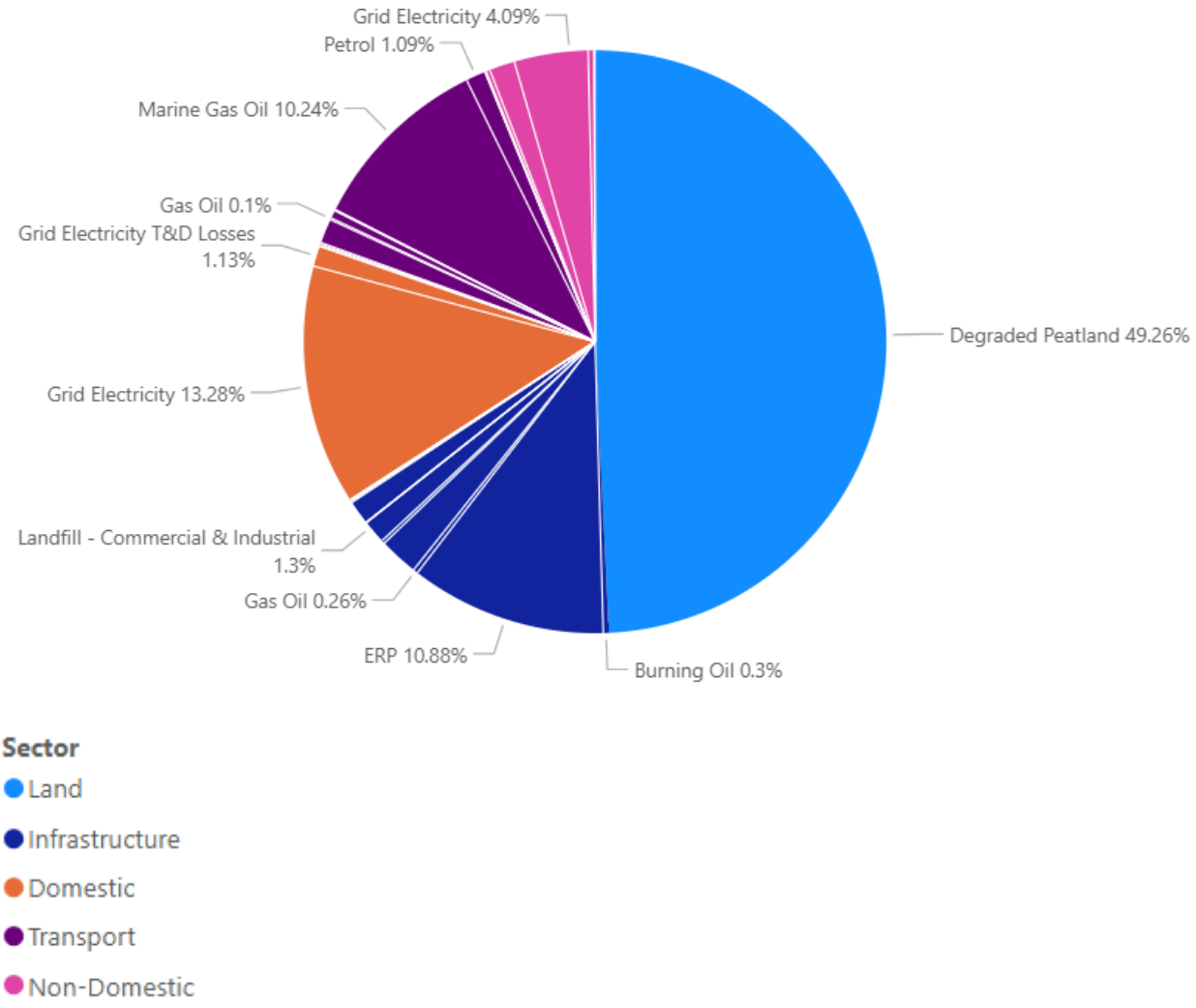
Actual Emissions Against Target Pathway: kgCO2e (Excluding Land)



2024/25 Emissions by Sector

The below pie chart shows our emissions for 2024/25 broken down into the sectors of Domestic (Housing), Non-Domestic (Operational Estate), Transport, Infrastructure and Land. Emissions from land, which is degraded peatlands, accounts for almost half of council emissions. A graph including land, and excluding land, has been provided for context.

2024/25 Overall Emissions by Sector (Including Land)



Land: 49.3%

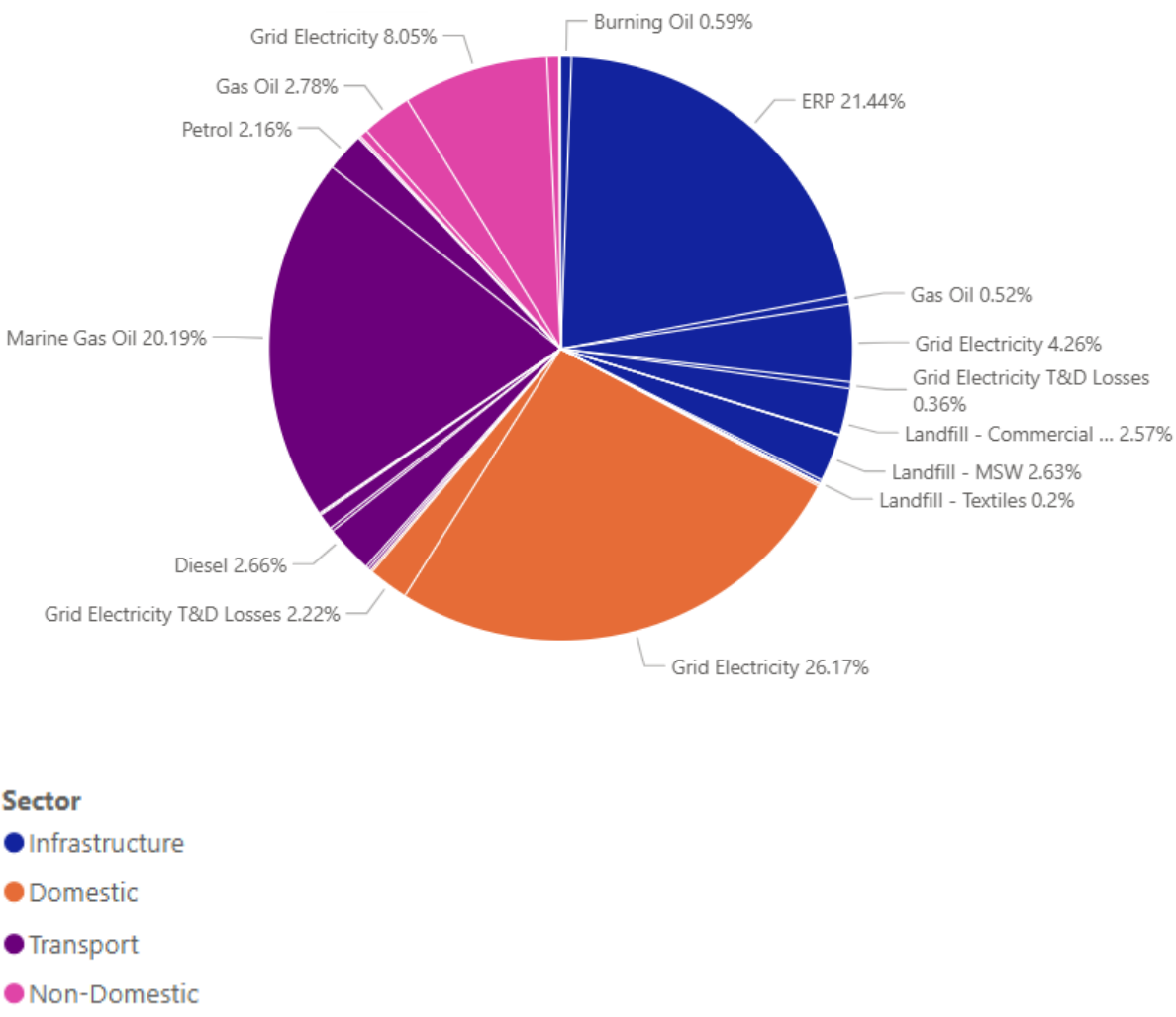
Infrastructure: 16.6%

Domestic (Housing): 14.4%

Transport: 13.5%

Non-Domestic (Operational Estate): 6.2 %

2024/25 Overall Emissions by Sector (Excluding Land)



Infrastructure: 32.6%

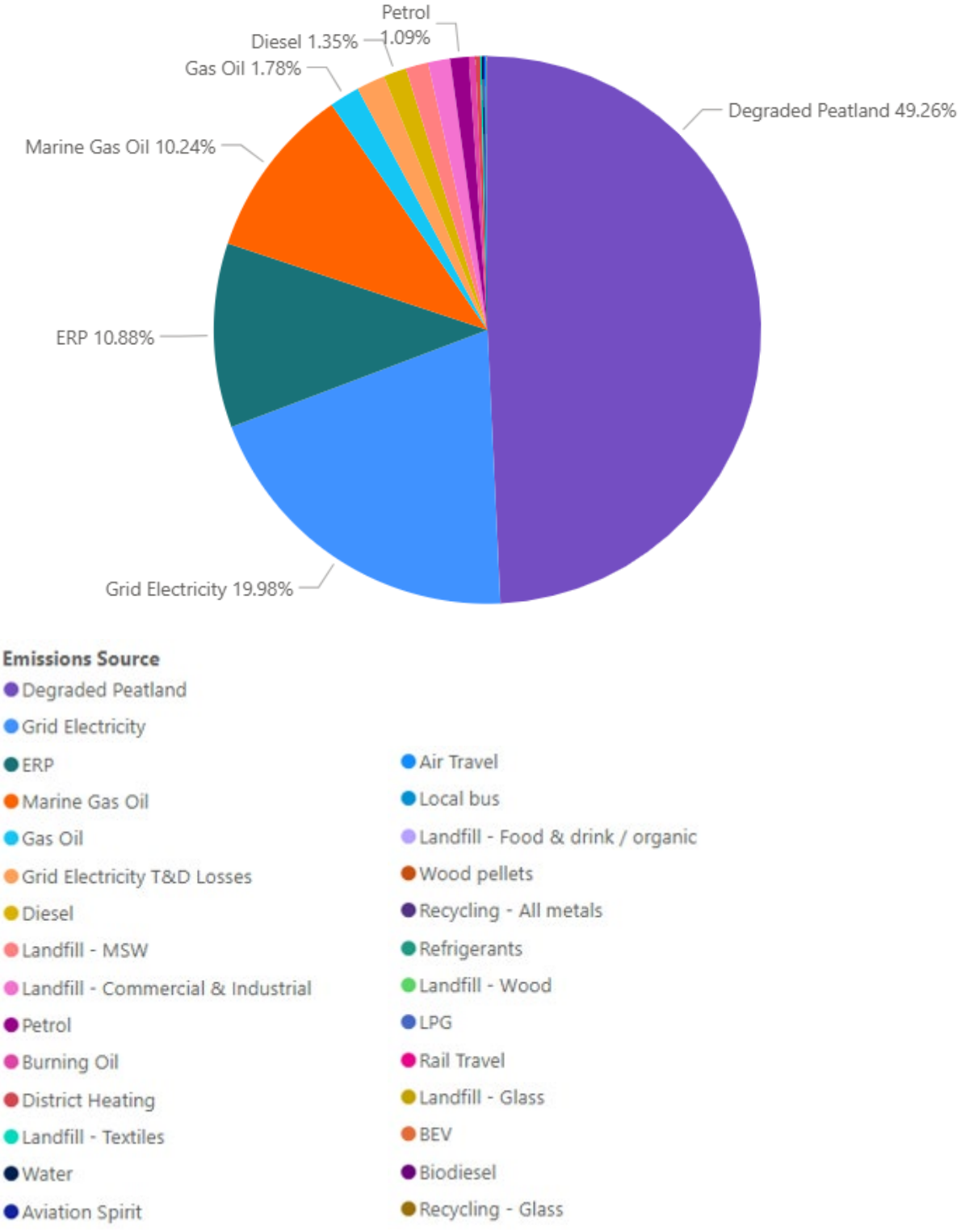
Domestic (Housing): 28.7%

Transport: 26.5%

Non-Domestic (Operational Estate): 12.2%

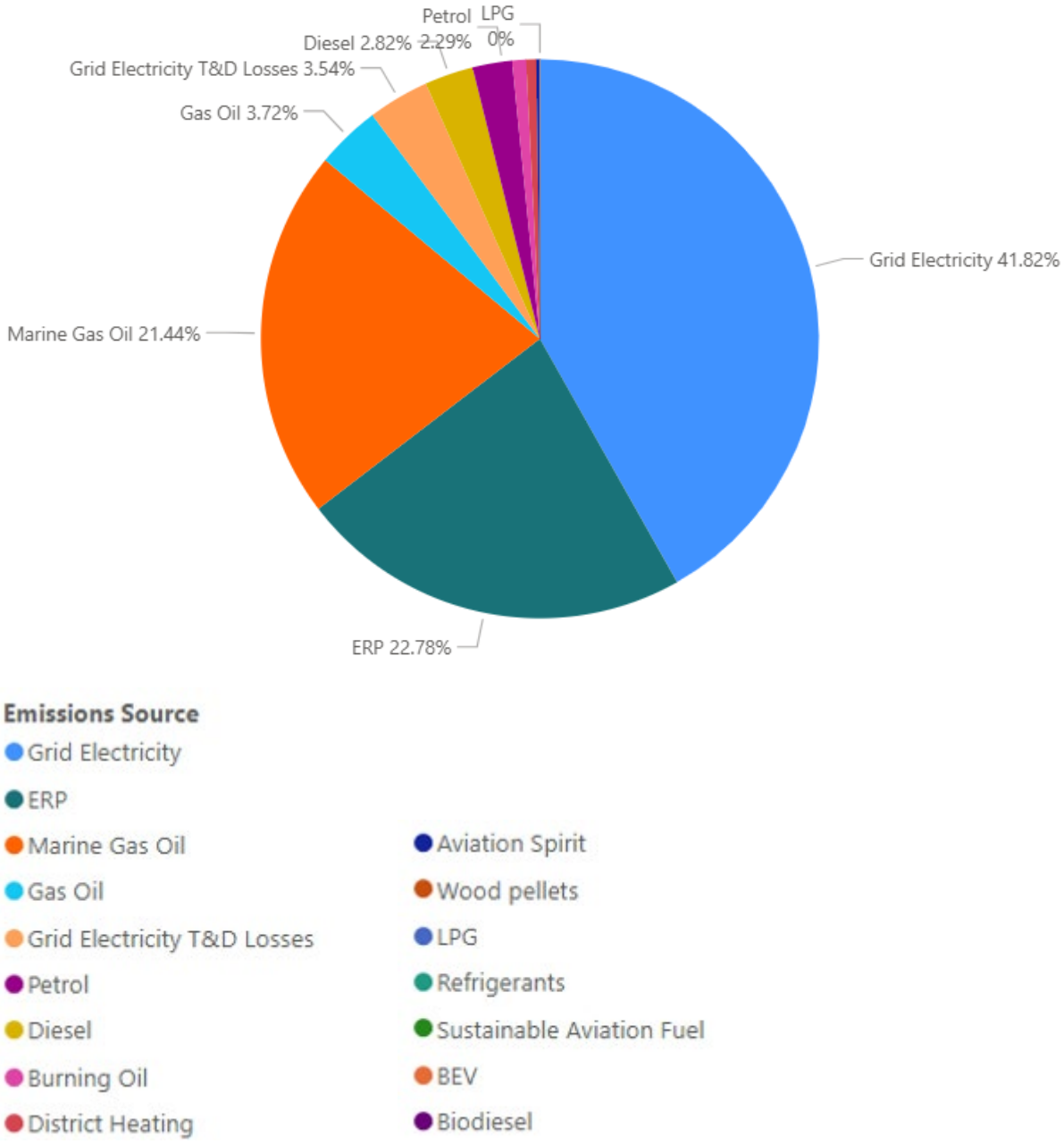
Overall Emissions by Source

The below pie chart shows our emissions broken down into emissions source.

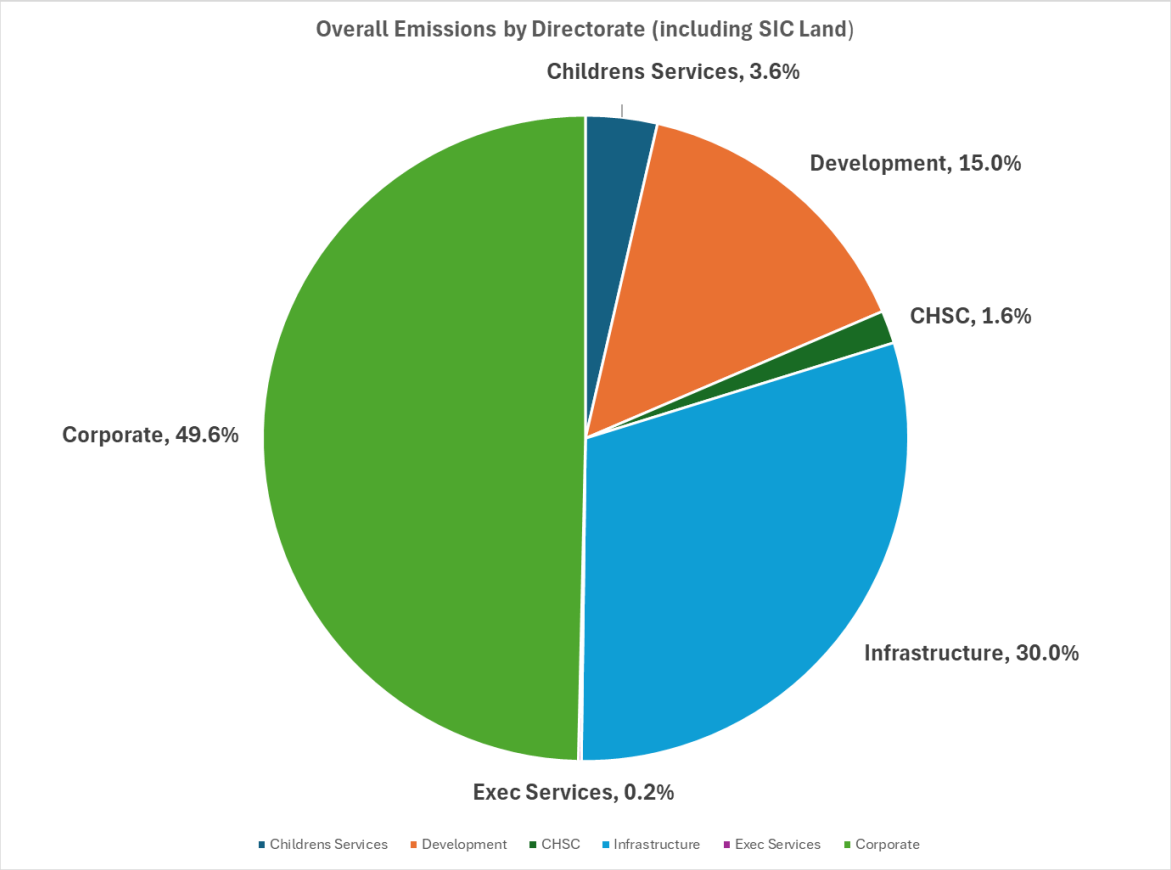


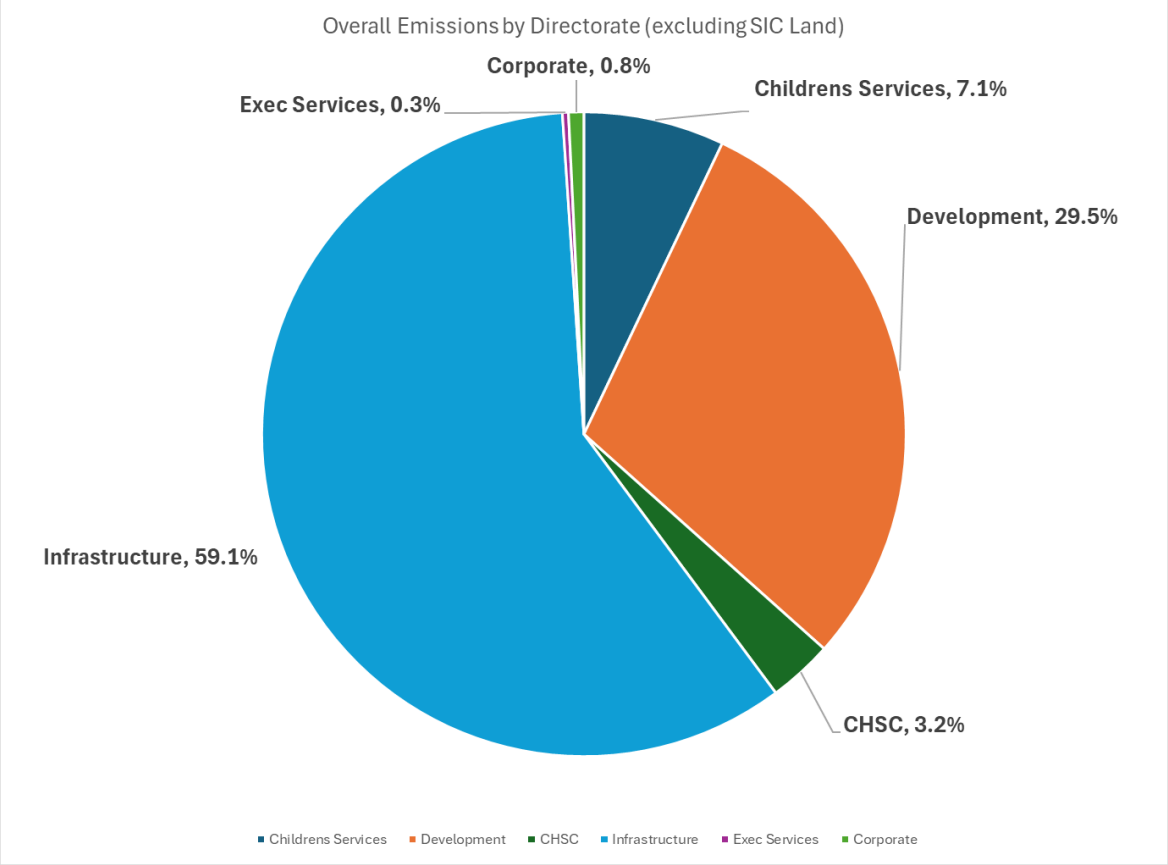
2024/25 Overall Emissions by Fuel Type

The following pie chart shows our 2024/25 emissions broken down by fuel type, and so doesn't include emissions from land, water, landfill, recycling, business travel or commuting. The ERP is included in this graph, as although it is not 'fuel used' it is a fuel provided to the Lerwick District Heating Network. The largest sources of emissions from fuel used or provided by the council is Grid Electricity at 41.8% followed by the ERP at 22.8% and then Marine Gas Oil at 21.4%.



2024/25 Overall Emissions Distribution by Directorate (including and excluding land)





Sources included within Directorates:

- **Corporate**: Land, council fleet, grey fleet, business travel and employee commute for Corporate Services, and operational estate occupied by Corporate Services.
- **Development**: Housing, council operated buses, council fleet, grey fleet, business travel and employee commute for Development Services, and operational estate occupied by Development Services.
- **CHSC**: Council fleet, grey fleet, business travel and employee commute for Community Health and Social Care, and operational estate occupied by Community Health and Social Care.
- **Children's Services**: Council fleet, grey fleet, business travel and employee commute for Children's Services, and operational estate occupied by Children's Services.
- **Infrastructure:** Vessels (ferries, tugs, pilot and support boats), aircraft, waste operation vehicles, roads operation vehicles and plant, quarry operations, Energy Recovery Plant (ERP), landfill, recycling, street lighting and navigation systems, council fleet, grey fleet, business travel and employee commute for Infrastructure Services, and operational estate occupied by Infrastructure Services.
- **Executive Services**: Council fleet, grey fleet, business travel and employee commute for Executive Services, and operational estate occupied by Executive Services.

Overall Emissions Commentary:

- Emissions have reduced relatively closely to the modelled pathway in working towards our net zero target by 2045. This has been aided with the inclusion of Land in this years emissions.

- Land is included in the emissions data for the first time in this report year. At 51.3% of emissions, Land accounts for almost half of SICs emissions in the baseline year of 2019/20. This is from degraded peatland on the Councils landholdings. A significant emissions reduction of 10,569 tCO2e has been made in Land since the baseline year, predominantly through selling landholdings with degraded peatlands. In 2024/25 Land makes up 49.3% of emissions. This report shows graphs that include land emissions and graphs that look solely at fuel/energy consumption to give an appreciation of the scale of emissions across the various sectors. It can be seen in the overall emissions graph that when land is excluded, we are slightly behind our emissions reduction target for 2024/25.

- It should be noted that the emissions factor used for grid electricity is currently based on the emissions from Shetland's diesel fired power station. This means that we do not see an annual drop in emissions factor associated with

annual emissions reductions in national grid electricity from the addition of renewable energy. From report year 2026/27 onwards, following the Shetland Grid's connection to the National Grid, we will report electricity emissions using UK grid electricity emissions factor, and so will see a significant drop in emissions associated with grid electricity use.

- It should be noted that the emissions factor for district heating has been calculated based on emissions from Energy Recovery Plant plus emissions from top up oil-fired boilers used across the year by Shetland Heat Energy and Power (SHEAP).

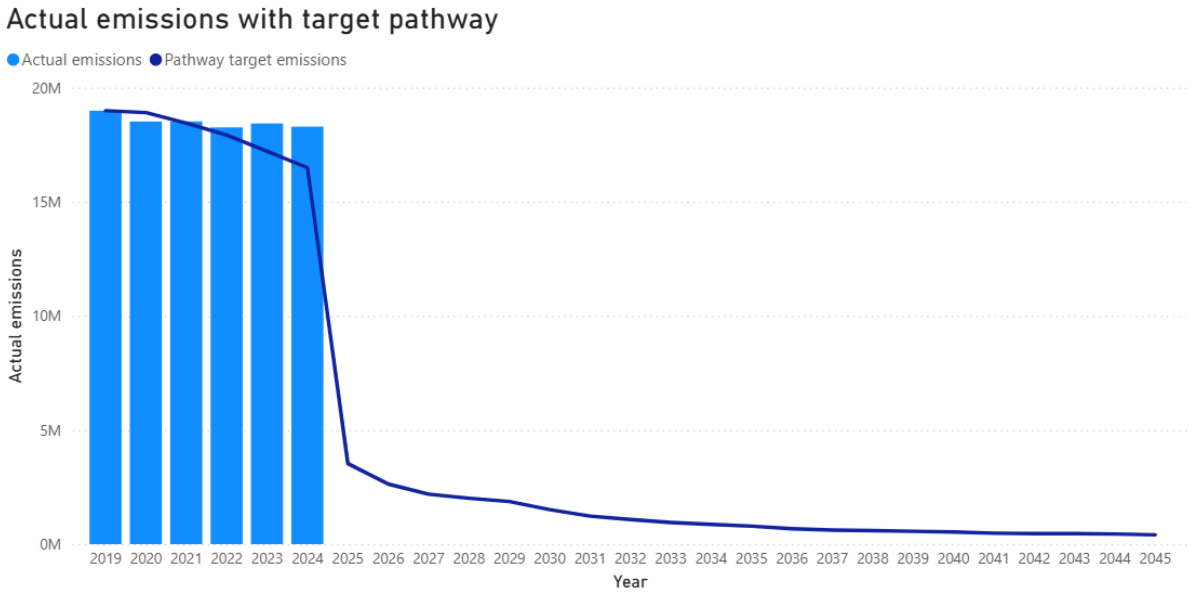
- Whilst we include emissions associated with electricity and district heating, buildings and vehicles which use them are considered to have 'zero carbon energy sources.' This is because they have zero direct greenhouse gas emissions associated with the buildings or vehicles; emissions are the responsibility of the point source of energy generation.

- Below data is split into Domestic (Housing), Non-Domestic (Operational Estate), Transport, Infrastructure and Land for more detailed analysis.

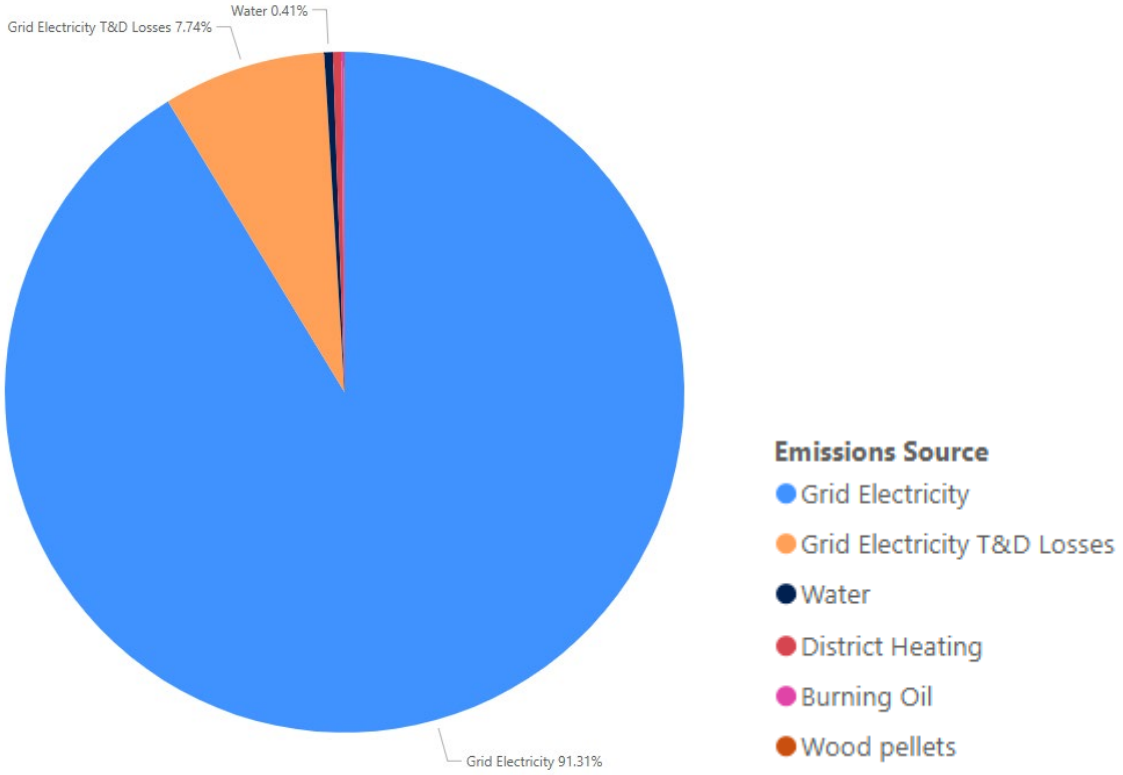
Domestic (SIC Council Housing)

Housing Emissions

Emissions from domestic buildings for 2024/25 are 3.7% below our emissions baseline from 2019/20. This is quite far off our domestic buildings target set for 2024/25 of 14.9% below our baseline emissions.



2024/25 Domestic (Housing) Emissions by Fuel Type



Housing Key Performance Indicators

Total number of properties:

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
1735	1734	1736	1735	1737	1736

Percentage of domestic buildings that are heated by zero carbon sources of heat

- Target – 100% by 2030

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
97.3%	97.64%	97.41%	97.52%	97.81%	98.27%

Electric or district heating systems are considered ‘zero carbon’ sources of heat. This includes storage heating (quantum and traditional), air source heat system, ground source heat systems, infra-red heating, electric flow boilers and radiators.

Percentage of housing that has an EPC of B or above:

- Target – will be set as part of new strategy

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
1.15%	1.21%	1.21%	1.44%	1.44%	1.90%

Number of properties that have had energy efficiency works undertaken (insulation upgrades, new doors or windows, air tightness upgrades etc):

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
97	36	54	29	51	35

Number of properties that had energy systems transitioned to zero carbon sources:

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
9	11	11	3	10	4

Domestic (SIC Council Housing) Commentary.

- This data is taken from the Home Analytics Database (HAD) which is largely based on available EPC information and after that best information available. It is the only tool available to establish figures for domestic energy consumption across the stock at the current time. The heating figures taken from HAD show a steady level of emissions across our housing stock across the years from our baseline.

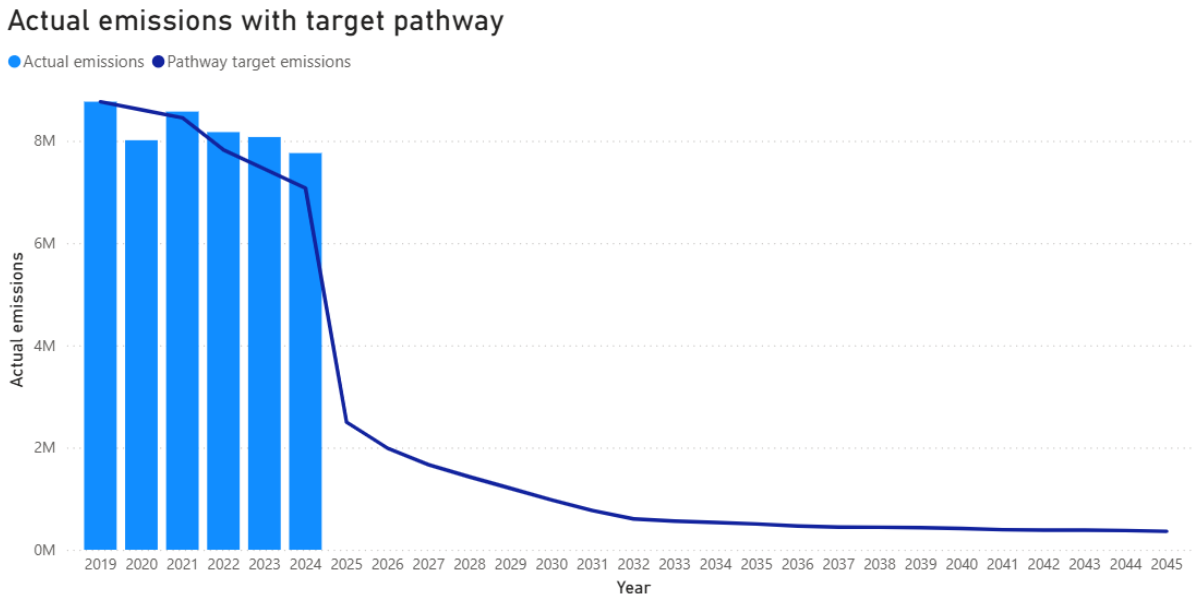
- The Council's housing stock is almost entirely heated from zero carbon emissions sources at 98.27% zero carbon. This includes a mix of storage heating, air source and ground source.

- Within this report year, domestic buildings accounts for 28.7% of overall Council emissions (this excludes land; when land is included, domestic buildings accounts for approximately 14.4% of overall council emissions). Once Shetland is connected to the UK electricity network, expected in late 2026, emissions from our housing stock will significantly decrease, as can be shown in the pathway in the graph above. Although our Housing stock will be almost entirely heated from zero carbon sources at that point, work will continue on making houses more energy efficient, to reduce energy use and benefit tenants.

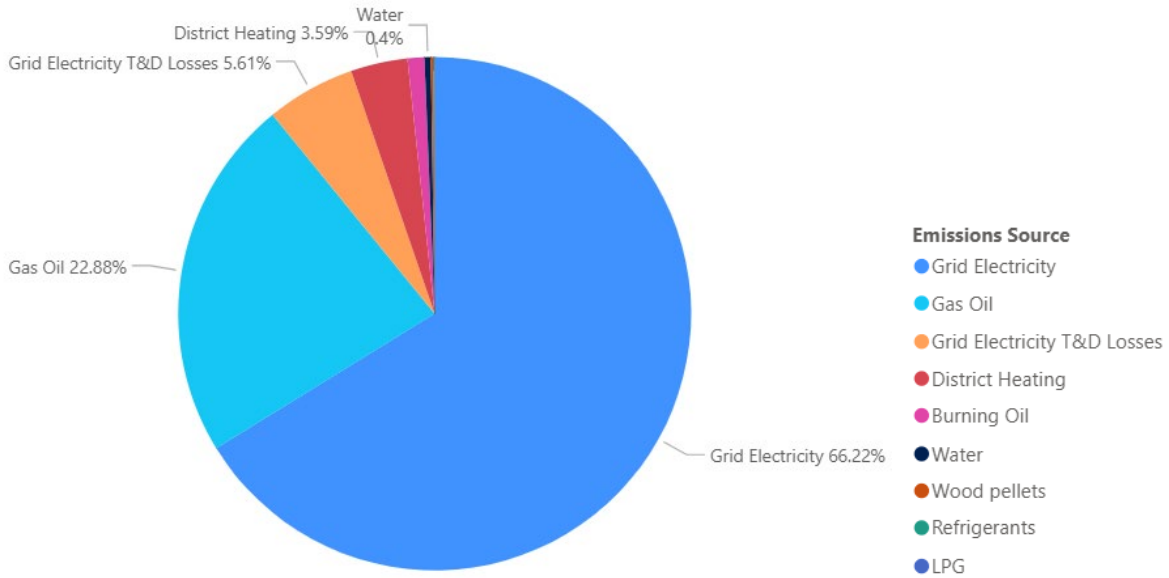
Non-Domestic (Operational Estate)

Non-Domestic (Operational Estate) Emissions

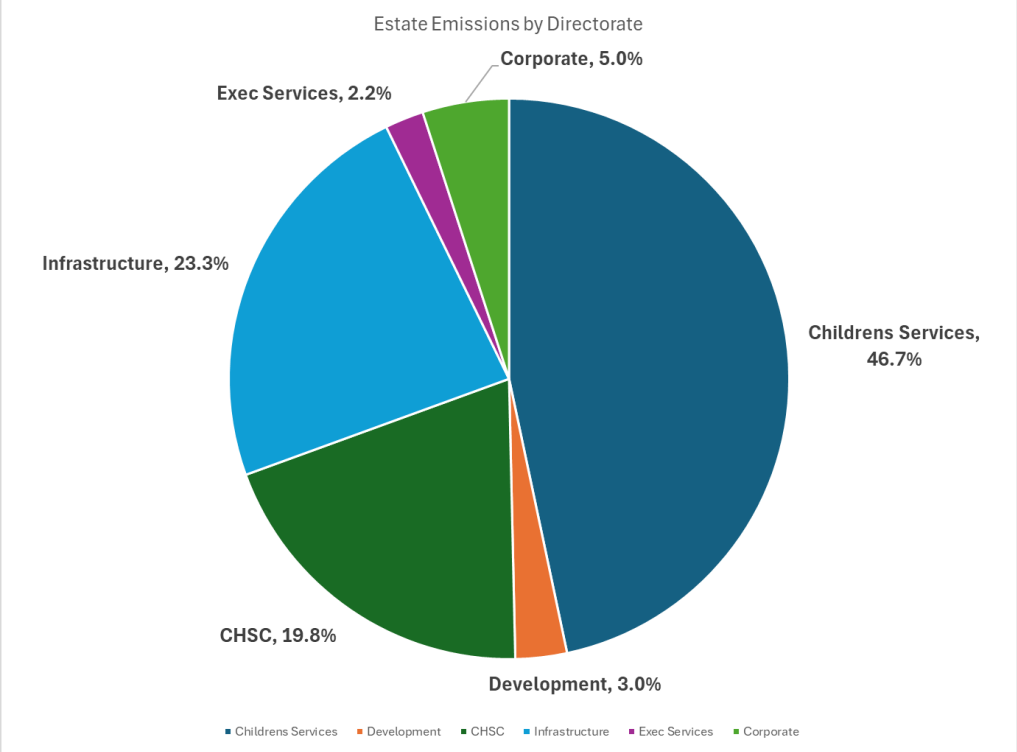
Emissions from our non-domestic buildings for 2024/25 are 11.5% below our emissions baseline from 2019/20. Our Net Zero Route Map set a target reduction of 19.3% below our baseline emissions for 2024/25, which we have fallen behind.



2024/25 Operational Estate Emissions by Fuel Type



2024/25 Operational Estate Emissions by Directorate



Operational Estate Key Performance Indicators

Percentage of our operational estate energy provided by zero carbon sources

- Target - 100% by 2040

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
63%	63%	63%	61%	62%	61%

Percentage of operational estate that has an EPC (where required) of C or above:

- Target - 100% by 2040

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
30%	30%	30%	30%	30%	30%

Number of buildings that have had energy efficiency works undertaken:

Works	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Insulation	3	3	2	0	0	3
Windows	6	3	4	5	4	6
Doors	6	3	10	10	14	6
Boilers	1	1	2	4	2	0
Lighting	8	8	9	7	8	7
Heat Pump	3	3	5	8	9	4

Operational Estate Commentary

- Non-domestic buildings include all Council occupied buildings, such as offices, schools, care homes and depots.

- There is an emissions reduction of 314 tonnes of CO2e between 2023/24 and 2024/25.

- Within this report year, our operational estate accounts for 12.2% of overall Council emissions (this excludes land; when land is included, non-domestic buildings accounts for approximately 6.2% of overall council emissions).

- Our energy use in the operational estate has decreased across all fuel sources, which includes; grid electricity, district heating, LPG, gas oil, burning oil and wood pellets. One of the main reasons for this is works undertaken to optimise the operation of building energy systems. Works will continue in this area.

- 61% of energy used in our operational estate in 2024/25 was from clean energy sources, which include electricity and district heating. Gas oil is the second largest energy source used following electricity, accounting for 31% of all operational estate energy use. Several of our schools and care homes are heated using gas oil.

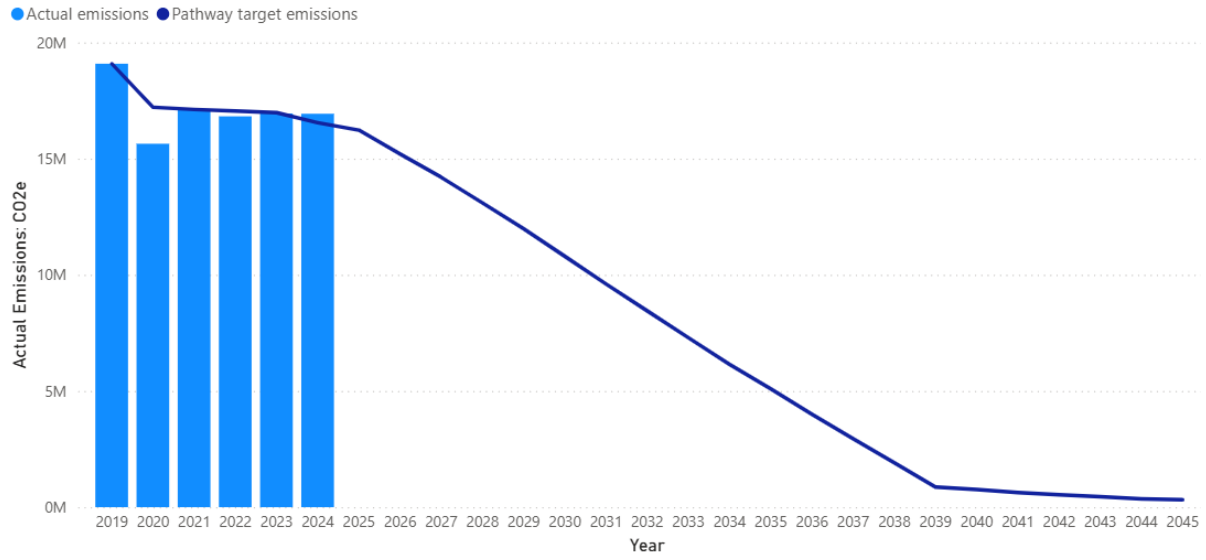
- At 46%, almost half of our emissions from the operational estate are attributed to Children's Services, followed by Infrastructure making up 23% and Community Health and Social Care at 20%. Children's services building emissions include schools, children's social care facilities, council sports and leisure facilities, and offices occupied by Children's Services staff. Infrastructure building emissions include depots, ferry terminals, garage

facilities and offices occupied by Infrastructure staff. Community Health and Social Care building emissions include care homes, social care residence, and facilities and offices occupied by Community Health and Social Care.

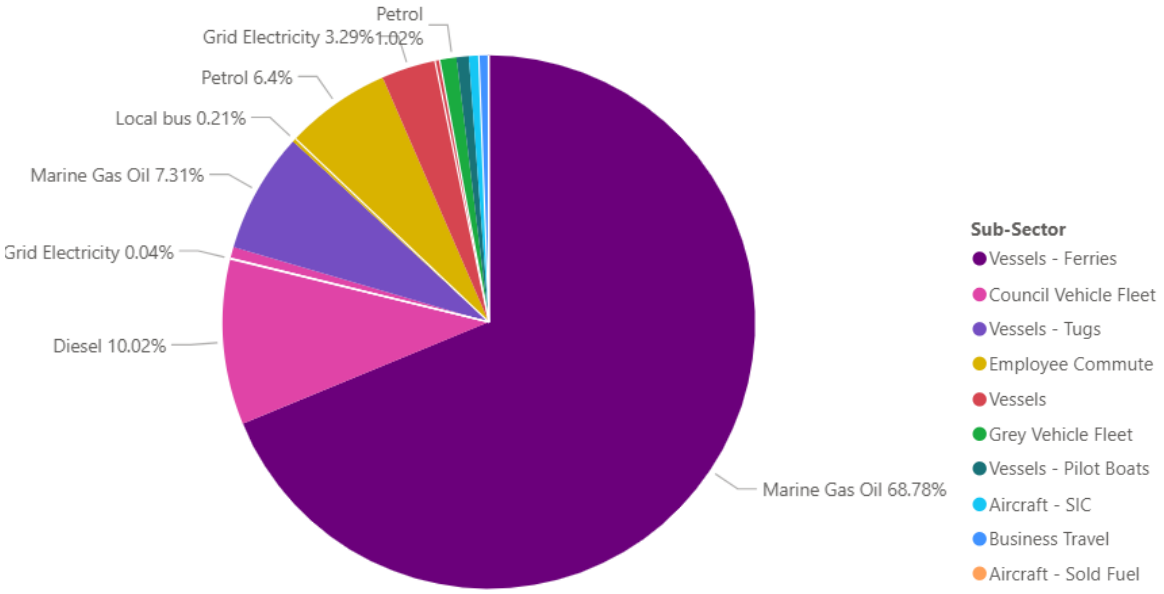
Transport

Transport Emissions

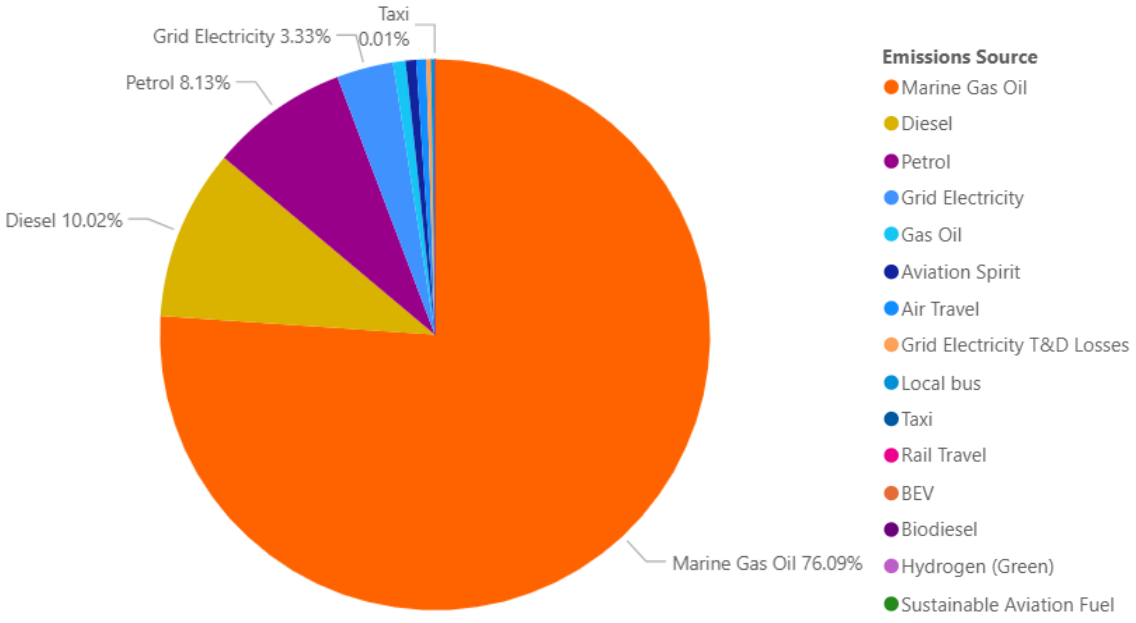
Emissions from transport for 2024/25 are 11% below our emissions baseline from 2019/20, which has not met our Net Zero Route Map target reduction of 13.3% from our baseline emissions. This is the first year that Transport emissions have fallen behind our target.



Transport Emissions by Source



Transport Emissions by Fuel Type



Transport Key Performance Indicators:

Total number of fleet small vehicles on 31st March of the report year:

(Cars, Small Vans & Plant: < 2501 kg)

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
133	149	160	155	152	169

Percentage of fleet small vehicles that are fuelled by zero carbon sources:

- Target - 100% by 2030

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
5.26%	6.04%	14.38%	14.84%	15.13%	13.02%

Total number of fleet medium vehicles on 31st March of the report year

(Medium Vans, Pick-Ups, MPVs & Plant: 2501 kg - 3500 kg):

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
109	123	125	129	130	124

Percentage of fleet medium vehicles that are fuelled by zero carbon sources

- Target - 100% by 2040

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
0%	0%	0%	0%	0%	0%

Total number of fleet large vehicles on 31st March of the report year:

(Large Vans, Tippers, Mini Buses & Plant: 3501kg - 7500kg)

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
30	33	31	27	26	21

Percentage of fleet large vehicles that are fuelled by zero carbon sources:

- Target - 100% by 2040

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
0%	0%	0%	0%	0%	0%

Total number of fleet heavy vehicles on 31st March of the report year:

(HGVs, Buses & Heavy Plant: > 7500 kg):

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
52	53	55	59	61	63

Percentage of fleet heavy vehicles that are fuelled by zero carbon sources:

- Target - 100% by 2040

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
0%	0%	0%	0%	0%	0%

Total number of vessels on 31st March of the report year:

(Ferries, Tugs, Port and Support Vessels):

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
24	24	24	24	24	24

Percentage of vessels that are fuelled by zero carbon sources:

- Target - 100% by 2040

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
0%	0%	0%	0%	0%	0%

Number of aircraft included within report year:

2019/20	2020/21	2021/22	2022/23	2023/24
2	2	2	2	2

Percentage of aircraft that are fuelled by zero carbon sources:

- Target - 100% by 2040

2019/20	2020/21	2021/22	2022/23	2023/24
0%	0%	0%	0%	0%

Transport Commentary:

- Included in our transport emissions are:

- Council vehicle fleet – diesel, gas oil, electricity and petrol
- Vessels (ferries, tugs, pilot boats and support vessels) – electricity and marine gas oil
- Aircraft – aviation spirit
- Business travel – taxi, rail travel, air travel, bus
- Employee commute
- Grey vehicle fleet – employees using personal vehicles for Council business and claiming mileage – assumed petrol. Additional fields were added to the data collection for grey fleet in November 2024, and so we will be able to split this into fuel type from the 2025/26 report year.

- A sharp drop in emissions is shown between 2019/20 and 2020/21, which can be attributed to transport and behaviour changes adopted during the response to Covid-19. In general, emissions from transport started to rise again as we returned to 'the new normal'. 2024/25 is the first year where we have not met our emissions target for Transport.

- Transport emissions have remained almost exactly the same between 2023/24 and 2024/25, no reductions have been made.

- Diesel use in the fleet has remained fairly steady with a marginal reduction between 2023/24 and 2024/25. Petrol use in the fleet has also remained fairly steady with a marginal increase between 2023/24 and 2024/25.

- Use of grid electricity by fleet vehicles has decreased by 30% between 2023/24 and 2024/25. KPIs show the percentage of fleet vehicles that are fuelled from clean sources has also decreased, reducing from 15.13% to 13.02%. In the report year 2024/25, 16 petrol vehicles were added to the fleet and 1 electric vehicle sold. Part of the rationale behind this is the difficulty with installing charging infrastructure in required locations for council fleet vehicles due to electricity grid capacity availability.

- Vessels – The use of electricity across all vessels has remained steady between 2023/24 and 2024/25, as has the use of gas oil in our pilot boats and marine gas oil in our ferries and tugs.

- Aircraft – Our emissions from internal aircraft reduced by 10% between 2023/24 and 2024/25.

- The Council 'grey fleet' mileage claims have remained steady between 2023/24 and 2024/25.

- Business travel has also remained steady between 2023/24 and 2024/25.

- Marine gas oil makes up three quarters of the council's transport emissions. When combining marine gas oil, gas oil and electricity used for vessels (used

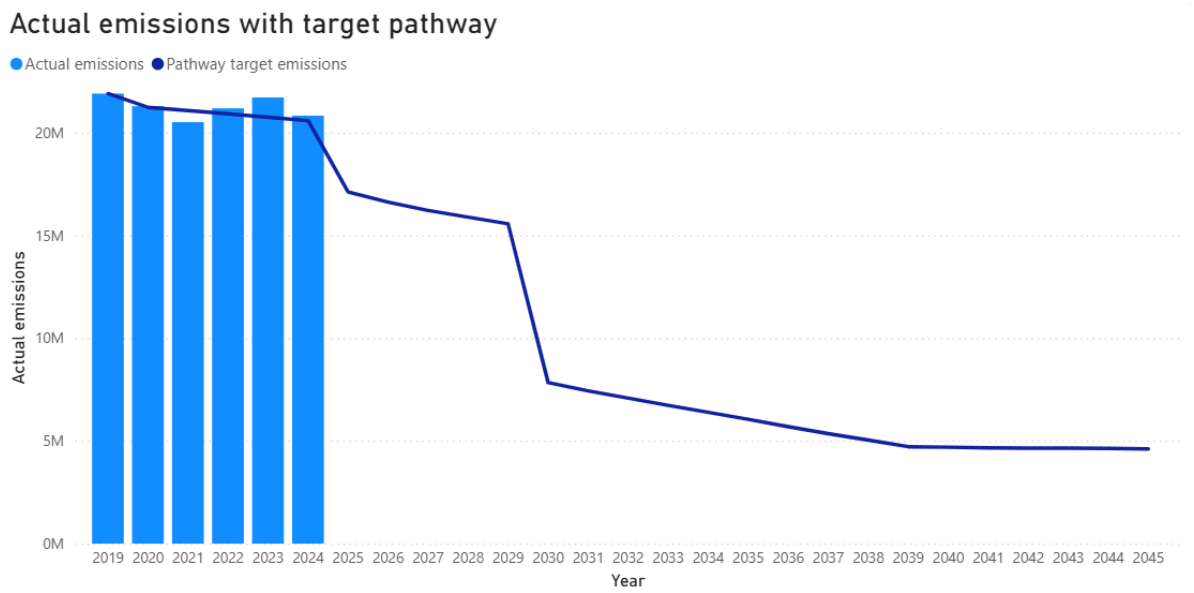
for our ferries, tugs, pilot boats and support vessels) this makes up approximately 80% of council transport emissions.

- The ferry fleet alone accounted for approximately 70% of council transport emissions, and approximately 20% of overall council emissions for 2024/25 (this excludes land; when land is included, ferries account for approximately 9% of overall council emissions).

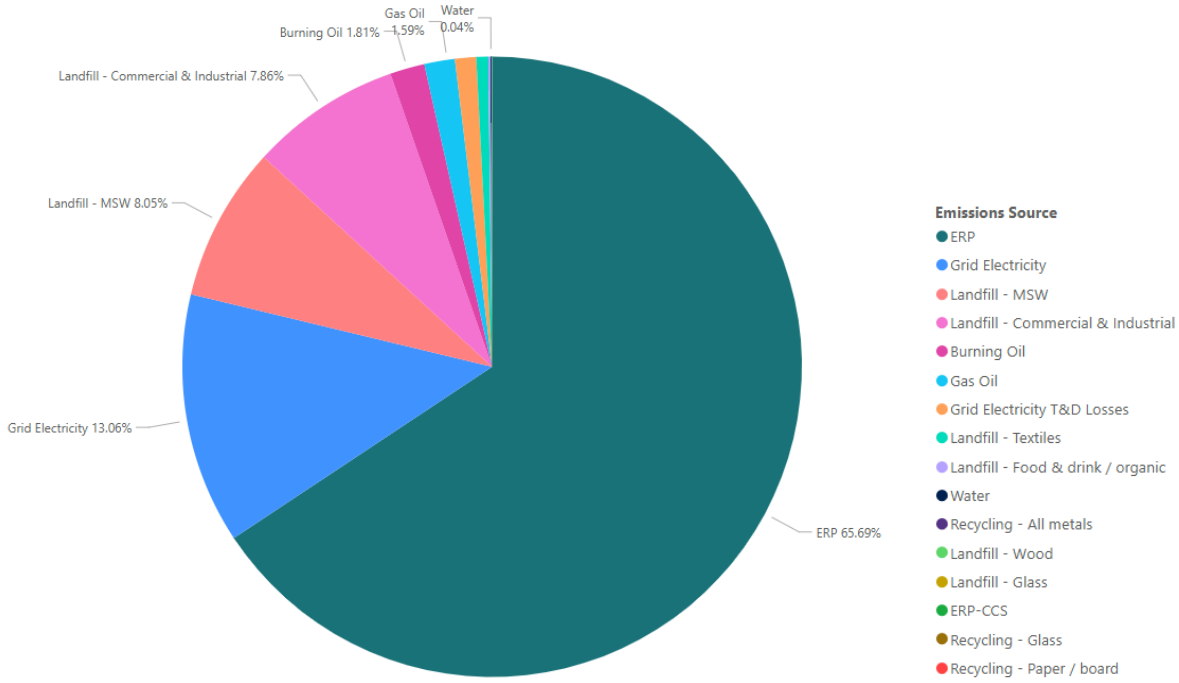
Infrastructure

Infrastructure Emissions

Emissions from Infrastructure for 2023/24 are 4.9% below our emissions baseline from 2019/20. Our Net Zero Route Map set a target reduction of 6% from our baseline emissions.



Infrastructure Emissions by Source



Infrastructure Key Performance Indicators

- Percentage of waste to landfill

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
33%	32%	51%	26%	33%	38%

- Percentage of waste to Energy Recovery Plant

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
59%	61%	44%	67%	60%	57%

- Percentage of waste recycled – All waste
    - Target – 30% by 2030

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
8%	7%	5%	7%	7%	5%

Recycling rates: Recycling percentage included in this KPI is for all waste. It is estimated that our household waste recycling rates are approximately 20.2%

Infrastructure Commentary

- Our Infrastructure emissions cover all operational services provided by the council that are not covered through ‘buildings’ or ‘transport.’ Included in our Infrastructure emissions are the Energy Recovery Plant, landfill, recycling, Rova Head, Scord Quarry, Street Lighting, Navigation Lights and Radar Station (Toft)
    - Landfill emissions include:
        - Food and drink waste - Animal, fish scales, fish smolts, garden, trees, international catering waste
        - Commercial and Industrial waste - Asbestos, bottom ash, bulky, clinical, concrete, crushed rock, filter press cake, insulation, mixed construction, mud silt, plastic, sewage sludge, shells, shot blast/grit, sub soil and stones, sweepings
        - MSW – Municipal
        - Textiles - Fishing nets, salmon farm nets, textiles
        - Glass – Windows – not recycling material
        - Wood – Construction materials
    - Recycling emissions include – All metals, paper/board, glass

- Electricity use within the infrastructure category has remained steady between 2023/24 and 2024/25.

- Burning Oil used for Scord Quarry has reduced slightly between 2023/24 and 2024/25 and Gas Oil for ERP and Scord Quarry as remained steady.

- ERP Incineration - There has been a reduction of 1214 tonnes of waste incinerated at the ERP between 2023/24 and 2024/25. This has resulted in an emissions reduction of 748 tCO2e. The reason for the reduction in waste incinerated is due to additional shut down periods for the ERP across the year.

- Water in ERP - Use of water required in the ERP has increased between 2023/24 and 2024/25.

- Landfill – Waste to landfill has remained fairly steady between 2023/24 and 2024/25 across the categories. There has been a noticeable decrease in the amount of ‘commercial and industrial’ waste to landfill, which includes construction waste, and also a decrease in textiles to landfill. There has been a slight increase in MSW (municipal), organic, wood and glass sent to landfill in 2024/25.

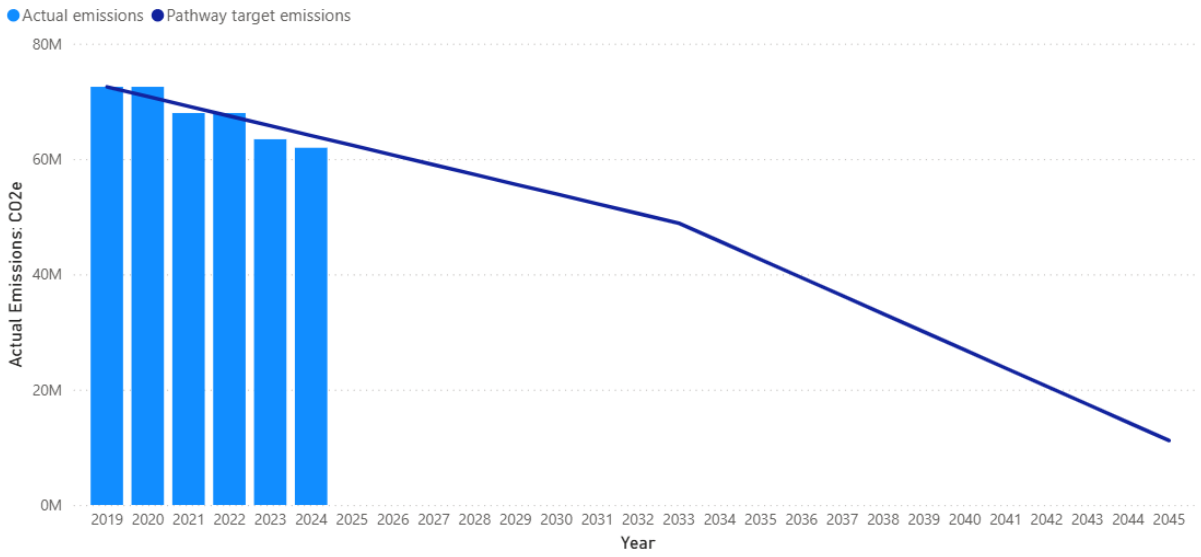
- The ERP makes up two thirds of the council’s ‘infrastructure’ emissions, and approximately 21% of overall council emissions for 2024/25 (this excludes land, when land is included, the ERP accounts for approximately 11% of the councils’ overall emissions).

Land

Land Emissions

Emissions from Land for 2023/24 are 14.6% below our emissions baseline from 2019/20. Our Net Zero Route Map set a target reduction of 11.7% from our baseline emissions.

Actual Land Emissions against Pathway Target Emissions



Land Key Performance Indicators

- Total number of hectares land owned

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
18,541	18,541	17,991	17,991	17,380	17,380

- Total number of hectares of degraded peatland owned

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
6,882	6,882	6,451	6,451	6,019	5,879

- Percentage of land owned that is degraded peatland

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
37%	37%	36%	36%	35%	34%

Land Commentary

- Land is included in the emissions data for the first time in this report year. At 51.3% of emissions, Land accounts for almost half of SICs emissions in the baseline year of 2019/20. This is from degraded peatland on the Council's landholdings.

- A significant emissions reduction of 10,569 tCO2e has been made in Land since the baseline year, predominantly through selling landholdings with degraded peatlands. Using Corine land cover data, approximately 863ha (out of the 1100ha of land sold since 2021) was classed as Peat Bog. In addition to land sold, 140ha of peatland restoration has taken place on the councils Busta Estate as part of the Viking Energy Project, undertaken by SSE.

- In 2024/25 Land makes up 49.3% of emissions.

Enablers and Impact

Indicators are set to show and monitor the progress we are making working towards our strategic objectives and our targets. We have set specific KPIs around Housing, Operational Estate, Transport, Infrastructure, Land and Engagement.

In addition to monitoring the KPIs, we continually review overall progress towards our Climate Change Strategy aims to ensure we remain focussed on working towards them. An update on progress made towards our climate change aims and KPIs is shown below:

We are a net zero organisation and community.

- Progress on emissions reductions are monitored and reported through the Climate Change Programme, as per this report. Up to 2024/25, we made 11.5% emissions reductions since the baseline year of 2019/10, which is very close to our emissions reductions target of 11.7%.

We are an organisation and community that is resilient to our changing climate.

- The **SIC Climate Change Risk Assessment Project** has been established. This project will develop and agree a framework for a Climate Change Risk Assessment (CCRA) for SIC estate, infrastructure, assets and services, based on a pilot undertaken in the South Mainland of Shetland. The pilot will include data gathering, mapping and analysis, stakeholder engagement and workshops, climate change risk assessment, prioritised mitigation measures and adaptation plans, a report on findings, and recommendations for the roll out over the rest of the Council.

Equality and fairness are at the heart of the transition to net zero.

- Throughout our works on climate change we work to ensure that equality and fairness are considered. Establishing and rolling out the use of Climate Change Impact Assessments (CCIA) have been launched to identify, consider and take steps to remove as far as possible, the associated climate impacts that can be encompassed in potential new projects, policies or programmes, and actively incorporate positive climate action. Incorporating a CCIA into the initial planning and development stages of a proposal aids decision making processes and enables climate change action, equality and fairness to be considered in the early stages of startup. It also provides the space to consider opportunities to maximise social, economic and environmental benefits to the community within the project.

Opportunities to maximise the social, economic and environmental benefit to the community are optimised.

- There are a number of current project areas that are actively working to maximise social, economic and environmental benefit to the community as listed below. A more detailed description of each of these are provided within the ‘Spotlights’ section of this report:
    - Climate Change Impact Assessments
    - A Fair Share for Shetland
    - Community Benefit Report
    - Shetland Energy Strategy
    - Affordable Energy for Shetland
    - Rural Energy Hub Project
    - Shetland Car Club Project
    - Brae District Heating Network Project
    - Schools Climate Roadshow Project
    - Energy Efficiency Grants

Engagement

Total number of staff for report year:

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
3911	3528	3574	3489	3531	3533

Number of staff that have undertaken Climate Emergency Training

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
0	0	8	23	96	115

Total number of Senior Management (Executive Managers and above) for report year:

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
29	30	32	34	33	31

Percentage of Senior Management (Executive Managers and above) that have undertaken Climate Emergency Training

- Target – 50% by 2025; 100% by 2026

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
0%	0%	0%	12%	22.5%	24.2%

Total number of Elected Members for report year:

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
22	22	23	23	23	23

Percentage of Elected Members that have undertaken Climate Emergency Training

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
0%	0%	0%	0%	48%	48%

Number of attendees at Shetland Climate Festival

- Target – Annual increase of 10%

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
0	0	0	260	250	350

Spotlights

Leadership, Governance and Finance

- **Climate Change Programme** is now fully set up with quarterly reporting to the SIC Climate Change Board (Corporate Management Team). This provides oversight and scrutiny to how we are progressing our climate targets. Progress on the Climate Change Programme is online at the SIC Performance Reporting webpage, which is updated weekly: SIC Climate Change Programme

- **Shetland Climate Change Strategy** has been developed by the Shetland Climate Change Steering Group (including membership from SIC, NHS Shetland, University of the Highlands and Islands, Shetland Amenity Trust, Highlands and Islands Enterprise, Nature Scot and Visit Scotland) and approved by Shetland Partnership Management and Leadership Team. The strategy sets out steps to collaboratively accelerate climate action and reduce carbon emissions, and looks to:
    - Accelerate climate action Increased collaboration across organisations
    - Increased efficiencies across organisations
    - Reduced duplication of effort
    - Stimulate increased investment
    - Implement projects that improve social, economic and environmental benefits to the Shetland community

  The strategy and implementation plan will be available on the Shetland Partnership website from late 2025.

- **Climate Change Impact Assessments** - The Climate Change Impact Assessments have been launched to identify, consider and take steps to remove as far as possible, the associated climate impacts that can be encompassed in potential new projects, policies or programmes, and actively incorporate positive climate action. Incorporating a CCIA into the initial planning and development stages of a proposal aids decision making processes and enables climate change action to be considered in the early stages of startup. This allows carbon emissions to be reduced as far as possible in SIC projects, policies or programmes, to work towards achieving net zero by 2045.

Estate

- The **SIC Estate Decarbonisation Project** has been established to develop a costed and prioritised plan for transitioning all non-domestic buildings from fossil fuel energy provision to clean energy sources by 2038. The project board has representation from the following service areas: Finance, Estate and Environment Operations, and Assets, Commissioning and Procurement.

Once a plan is developed, a proposal will be developed for a rolling programme of funding for the plan.

- An application to Scotland's Public Sector Heat Decarbonisation Fund has been submitted to connect the Town Hall to the district heating scheme in 2025/26. A decision on the application is due before the end of August.
- EDF is actively undertaking smart metering and Automated Meter Reading Devices (AMR) replacements in Council properties. Along with existing automatic meter reading this is helping to provide more accurate consumption data for Council buildings.

Housing

- **Knab Redevelopment Project** – During 2024/25 works were undertaken to prepare infrastructure contracts, which were awarded for works to commence on site in May 2025, with a planned duration of 16 months. This phase includes groundworks, provision of the required road accesses, drainage, power, water and sewage to enable future housing contracts. The first phase of housing is planned for 27/28, and will be PassiveHaus standard. Currently the Grade B listed Janet Courtney Hostel conversion is in design stage. This will bring an existing Council asset back into use as it is converted it into 19 modern, energy efficient flats. Further information on the project can be found at the following link: The Knab: A thriving space with community at its heart

Transport

- **Electric Bus Trial** – Fully funded through the Rural Energy Hub Project, a trial was undertaken on an electric bus operating in the Shetland environment. The aim was to evaluate the viability of operating electric heavy vehicles in challenging rural environments to demonstrate replicability for rural local authorities. The bus was trialled under a series of varying conditions to ensure a robust data set was obtained. Computational modelling was also undertaken of the same electric bus trial to gain confidence in the comparison between computational models and real-life data, which is often not trusted due to our harsher climatic conditions in Shetland.

- **Public and School Bus Transport Review** – An Outline Business Case has been developed as a strategic assessment to determine the future structure of public and school bus services across Shetland following the expiration of existing contracts in 2026. The OBC covers all public and school bus transport, focusing on accessibility, value for money, and sustainability. The case evaluates delivery models and financial feasibility for the Shetland public and school bus network where about 50% of the population resides near Lerwick, which also concentrates employment and housing growth.

- **Shetland Inter-Island Transport Connectivity Programme (IITCP) -** The purpose of the IITCP is to develop a high-level timed and costed sequence of island connectivity investments which, taken together, will form an agreed network strategy to meet the needs of Shetland's island communities. SIC operates or contracts essential transport connections to nine islands across the archipelago – Bressay, Fair Isle, Fetlar, Foula, Papa Stour, Out Skerries, Unst, Whalsay and Yell. These connections are delivered through a combination of air and ferry services. This piece of work is an essential first step in understanding and planning the decarbonisation path for the ferry and air services.

- **Fair Isle Ferry and Terminal Replacement Project –** Work has been ongoing on the design of the new Fair Isle Ferry and Terminal. The specified ferry will not be net zero in operation but will be built with the transition in mind. The design is high efficiency IMO tier 3 standard, significantly more efficient than the existing ferry, and enables a biofuel drop in to be used without requirement of any modification. PAS 2080 principles, including calculating embodied carbon, has been applied during the design, build and operation process.

- **Electric Vehicle Infrastructure Expansion** - The collaboration group involving Western Isles, Orkney, Shetland and Argyle and Bute, and administered by HiTrans, has been awarded funding through the Electric Vehicle Infrastructure Fund (EVIF) to upgrade older EV charge points and further expand the network of public charge points in each local authority area.

Infrastructure

- **Waste Collection Optimisation** - Two 'midi-carts' were purchased, which has allowed us to replace three 'mini-carts.' This has resulted in an optimisation of waste collection journeys and a reduction of miles travelled for waste collection operations.
- **HVO Trial** – A trial is currently underway, operating our skip truck using HVO fuel as a trial. This has allowed us to test the fuel supply chain and to gain data and a better understanding around the associated economics. This trial has now been expanded out to include one of the essy kerts (Refuse Collection Vehicles) with the view to fuel the entire essy kert fleet from HVO by 2026.

Land

- **SIC Pilot Peatland Project** – A working group has been created, including relevant external stakeholders, to establish a pilot project to gain further understanding around barriers to undertaking peatland restoration on council owned land, including legal and financial frameworks.

- **Shetland Peatland Partnership** – The council continues to engage with the Shetland Peatland Partnership to forward acceleration of peatland restoration. Efforts have been made within the Peatland Partnership to secure funding to expand engagement activities across Shetland

- **Shetland Tree and Woodland Strategy** has been developed to pre-consultation draft stage and is planned to be taken to Committee for approval in 2026.

Engagement and Communications

- **Shetland Climate Festival** – The Shetland Climate Festival was held in Clickimin Bowls Hall on the 15th June 2024. It was attended by 350 members of the public, which was an increase of 40% on the previous year. The festivall included an exhibition hall, workshops and KidsZone, and had a focus on being family friendly including with face painting and a climate scavenger hunt. Planning is underway for the 2025 Shetland Climate Festival which will take place on the 13th September; more details can be found at the following link: Shetland Climate Festival 2025. The 2024 Shetland Climate Festival 2024 was kindly sponsored by ESB, developers of Stoura Wind Farm, and sponsorship has been confirmed from ESB for the 2025 festival.

- **Climate Yarns –** An initiative has been launched to better communicate and raise awareness around climate change from a Shetland perspective. The Climate Change Strategy team have been creating Climate Yarns videos on specific climate related issues through interviews with Shetland organisations. Over 14 videos have been created so far and all can be found at the following link: Climate Yarns YouTube Channel. This initiative has been positively received, with a high level of engagement gained and a number of requests from organisations that would like to feature in the future.

- **Schools Roadshow Project** - At the beginning of 2025, we launched our debut School Climate Roadshows project raising climate change awareness in schools and continuing the climate conversation in the community. We successfully delivered 50-minute interactive sessions with P6-7 and S1-2 classes including: a presentation, video, activities, games, workshops, discussions and quiz to 13 different schools across Shetland from Baltasound to Dunrossness. We put climate change into the local context and gathered views from young people across Shetland hearing what is important to them in tackling the climate crisis. Three creative elements have been produced from the project to launch in a showcase at the Shetland Climate Festival 2025: a book, art and film launch.

- **Climate Emergency Training** - Climate emergency training is now offered to all employees across the Shetland Partnership and is run once a month. We have created a bespoke course that focuses on local policy and the impact to Shetland as well as the science, global impacts, and policy at a national and international level.
- **Toolbox talks** is a condensed version of the climate emergency training, tailored to suit specific service areas. It was developed to suit non-office-based staff to provide inclusivity of training. Staff are encouraged to devise solutions to GHG mitigation issues their service or department might have.

Adaptation

- **LiDAR Project** – SIC successfully applied for project funding for LiDAR from Scottish Government, with additional capital spend agreed by the Council. We are currently working through the contracts stage and expect LiDAR scanning to be carried out for the whole of Shetland with the data processed and supplied to us during 2026. This data will be essential in informing our Climate Change Risk Assessment, adaptation planning and land restoration works.

- The **SIC Climate Change Risk Assessment Project** has been established. This project will develop and agree a framework for a Climate Change Risk Assessment (CCRA) for SIC estate, infrastructure, assets and services, based on a pilot undertaken in the South Mainland of Shetland. The pilot will include data gathering, mapping and analysis, stakeholder engagement and workshops, climate change risk assessment, prioritised mitigation measures and adaptation plans, report on findings and recommendations for rolling out wider than the pilot area.

Wider Influence

- **Rural Energy Hub Project -** The Rural Energy Hub project tackles non-technical barriers to decarbonisation across power, heat, and transport sectors, with a specific focus on how this can be achieved in remote and rural areas. Fully funded by Innovate UK, the project involves district heating feasibility works, developing a sustainable car club model for rural locations, electric bus trials, sustainable community transport planning, and a pilot demonstrator hub in Brae, run by a newly created community interest company, the 'Brae Rural Energy Hub CIC'. The Hub serves as a model for future rural hubs, showcasing integrated services such as renewable energy generation, electric vehicle charging facilities, co-working spaces and energy advice. The project focuses on empowering communities to share knowledge and develop local low-carbon strategies, ultimately promoting decarbonisation. For more information on the goals of the Brae Rural Energy Hub and the services it offers check out the website: Brae Rural Energy Hub | Supporting Shetland to transition to net zero

- **Brae District Heating Project –** Fully funded through the Rural Energy Hub Project, a Feasibility Study and Outline Business Case is being undertaken for a District Heating Scheme in Brae. It is looking to see if a heating network is viable and if it can provide lower heating bills and a more environmentally friendly way to heat homes, businesses and community buildings, such as the leisure centre, care home, health centre and Brae High School. It will assess the feasibility of using renewable energy, such as a dedicated wind turbine to help to power the network.

- **Shetland Car Club Project** - The Shetland Car Club trial offers short-term vehicle hire for SIC staff and the public in Shetland. Ten vehicles have been stationed across mainland Shetland and are available for hire from as little as 30 minutes at a time. The Shetland Car Club trial aims to encourage car sharing and better utilisation for council fleet, for more information please follow this link**:** Shetland Car Club – Shetland Islands Council

- **A Fair Share for Shetland** – The independent Energy Transition Task Force (ETTF) was set up by SIC to explore how Shetland could maximise value and community wealth from renewable energy activity in Shetland. It sought to do this by inviting Shetland stakeholders (made up of energy sector and community representation) to discuss and, drawing on their experience, advise on future direction. The work of the ETTF work was prompted and driven by the unprecedented concentration and scale of renewable energy activity and a pressing need for these developments to be better understood, managed and stewarded effectively. This work and the 'A Fair Share for Shetland' report is about being on the front foot in exploring community wealth and ensuring that renewable energy activity delivers a 'fair share' for Shetland. The ETTF also created a framework from which to take forward more detailed work. The 'A Fair Share for Shetland' report can be found at the following link: A Fair Share for Shetland

- **Community Benefit Report** – SIC commissioned research to determine whether existing community benefit models
  from clean energy developments are achieving national and local policy aims, and securing the best economic return for Shetland and its communities, or whether a new, locally specific approach is required. Recommendations within the report fall within four areas:
  - Exploring community ownership
  - Securing an appropriate and viable level of community benefit
  - Aligning existing policies
  - Leadership and advocacy

  The report can be viewed at the following link: Analysis of Shetland Community Benefits

- **Shetland Energy Strategy** – SIC are currently finalising the Shetland Energy Strategy, which has had significant input from the Energy Transition Taskforce (ETTF, described above). The ambition of the strategy is to achieve a fair energy transition for Shetland, moving away from fossil fuels for both generation and use. To ensure local, clean, secure and affordable energy for everyone. The vision is that the following is achieved by 2045:
    - **A Just transition** – We have a fair and managed energy transition, no one is left behind
    - **Whole energy system** – We have an efficient, integrated energy system, where impacts on the environment and minimised
    - **A fair share** – Maximising community wealth building opportunities. Shetland has a fair share of the value of energy production, distribution and utilisation as a means of increasing community wealth, delivered through strong engagement.

- **Energy Efficiency Grants** – Roll out of Energy Efficiency Grants Schemes: Area Based Scheme (ABS), Warmer Homes, Home Energy Scotland grants and loans plus Viking Community Benefit grant providing additionality through ABS top up and additional funding to look at windows and doors. Warm Works is contracted as the Managing Agent for the ABS scheme and has set up a shop front in the Toll Clock. This will assist in promoting grants with the added aim of attracting more local installers to undertake grant/loan funded works.

- **Radio Teleswitch Service (RTS) campaign** - In January the Council launched a joint campaign with Hjaltland Housing Association to raise awareness about the RTS switch-off planned for the end of June 2025. This was to highlight why people in Shetland may have issues with their heating and hot water if they did not make the change and what to do next. The campaign included a dedicated webpage, leaflet with QR code, and a video. This was to illustrate what the meters look like in Shetland homes and why people should contact their supplier. The video is one of the highest performing videos on the Council's website with 2,600 views.

- **Shetland Power Systems Working Group** – SIC have established a working group to identify the most effective power transmission system for energy transition developments in and around Shetland. The group will establish a framework that gives emphasis for planning of energy developments in the already industrialised parts of Shetland. The group is made up of stakeholders from across the Shetland energy sector.

- **Ocean Refuel** – SIC are working with Strathclyde's Centre for Energy and Policy to undertake economic modelling to identify pathways for maximising economic benefits for Shetland over time and to mitigate the impacts of

potentially costly elements and stages of the transition. This include Sullom Voe Terminal where plans are afoot to transition from mid-stream oil and gas supply activity to low carbon fuel production and carbon storage, and a range of port and harbour facilities with investment plans already in place to develop an ultra-deep-water quay at Dales Voe to support both offshore wind development and oil and gas decommissioning.

- **Affordable Energy for Shetland –** A project was established in 2023 to investigate and campaign for affordable energy for Shetland; this looked at 'The Shetland Tariff'. Now that the UK government has made a decision on reformed national pricing, work is underway on the project evolution to fit the policy landscape set out. Currently the affordability of electricity in Shetland is a significant issue in the energy transition, both for pace of decarbonisation and in ensuring a Just Transition. This project will look to identify the maximum impact areas in achieving affordable energy for Shetland residents.

Recommendations

SIC's first Climate Change Report, in 2023/24, made recommendations for how we can accelerate progress on climate action. This 2024/25 Climate Change Report reviews progress made in working towards recommendations made and updates these recommendations to be more relevant for what is required to achieve 2025/26 priorities.

Progress on recommendations made for 2024/25:

In the 2023/24 report, the following recommendations were made for 2024/25:

A review of our base of data related to energy, emissions, efficiencies and climate change across the council. Map the data we collect, how we store it, what systems we use across service areas and how we are using our data. Inconsistencies and gaps should be highlighted. Recommendations should be put forward, and implemented, for how we can build a comprehensive and consistent base of data for use in the decarbonisation plans, outlined below, and in providing data for performance improvement.

2024/25 Progress Statement:

- Work is underway to map the data that feeds into the Annual Climate Change Report, including what is included and how it is collected to ensure quality, highlight gaps and make recommendations for data collection going forward. This is being led by the Climate Change Strategy team with feed in across council areas, in particular Energy Efficiency, Buildings Services, Assets, Fleet, Human Resources and Executive Services. This piece of work is aligned to the work of ICT in the 'Business Intelligence and Reporting', a project being initiated by ICT that will look at how the Council can visualise

and bring data together. Recommendations highlighted to date include the need for resource to review related data held across service areas, identify where there are inconsistencies, and to make it compatible for analysis.

Updates to recommendation for 2025/26:

- Resource is made available to review related data held across service areas, identify where there are inconsistencies, and to make it compatible for analysis. Estate data is identified as the highest priority in undertaking this exercise.

Replacement programmes of work should set out the additional investment needed in the short and medium term to make effective change and emissions reductions within their budget setting, and the long-term projected savings from short to medium term additional investment.

2024/25 Progress Statement

- There has not been any progress of note made on this recommendation within 2024/25.

Updates to recommendation for 2025/26:

- Recommendation to remain the same and begin to work towards it, ensure funding and investment is included in gaining an understanding and developing plans.

A Fleet Transition Plan (including all vehicles, ferries, vessels and aircraft), should be developed and considered by the Council for implementation, including funding and investment outlined.

2024/25 Progress Statement

- Work is ongoing to review and plan for ferry service resilience, including developing the business case for a relief ferry.
- Work is ongoing on the Inter-Island Transport Connectivity Project, which will inform future ferry transition plans.
- A programme for 'Greening the Fleet' has been created, but work is required to understand how achievable the programme of works is, as targets are currently not being met.

Updates to recommendation for 2025/26:

- Resource should be committed to assessing and understanding external interdependencies, barriers and risks which may prevent 'Greening the Fleet' from progressing in line with targets, with a plan developed to overcome these.
- Collaboration across the Shetland Inter-Island Transport Connectivity Programme, the Greening the Fleet Programme, the EV Infrastructure Strategy and Implementation Plan, the Shetland Car Club Project, the Public Transport Network Review, the Energy Strategy and the Estate

Decarbonisation Project is required to ensure a holistic approach is taken in transitioning our vehicles.

A Housing Energy Efficiency Strategy and Plan should be developed for consideration by the Council for implementation, including funding and investment. It is recognised an update is due from Scottish Government on the Social Housing Net Zero Standard, which is required to shape the strategy for delivering the new standard across our housing stock.

2024/25 Progress Statement

- Work has been unable to progress in this area as there has not yet been an update from Scottish Government on the Social Housing Net Zero Standard. Recommendation to remain the same with progress to begin once the Social Housing Net Zero Standard is confirmed.

Updates to recommendation for 2025/26:

- Recommendation to remain the same and begin to work towards it as more information is made available from Scottish Government

An Estate Decarbonisation Plan should be developed for consideration by the Council for implementation, including funding and investment outlined.

2024/25 Progress Statement

- The SIC Estate Decarbonisation Project has been established to develop a costed and prioritised plan for transitioning all non-domestic buildings from fossil fuel energy provision to clean energy sources by 2038. The project board has representation from the following service areas: Finance, Estate and Environment Operations, and Assets, Commissioning and Procurement. Once a plan is developed, a proposal will be developed for a rolling programme of funding for the plan.

Updates to recommendation for 2025/26:

- Recommendation to remain the same and continue to work towards it.

There are a range of inputs that contribute to 'Infrastructure' emissions, including the ERP, landfill, recycling, Rova Head, Scord Quarry, Street Lighting, Navigation Lights and Radar Station (Toft). Each of these require an effort to gain a detailed understanding of how to reduce emissions appropriately, then to develop and implement plans, including the required funding and investment, to achieve this.

2024/25 Progress Statement

- There has not been any progress of note made on this recommendation within 2024/25.

Updates to recommendation for 2025/26:

- Recommendation to remain the same and begin to work towards it, ensure funding and investment is included in gaining an understanding and developing plans.

Adaptation Plan - A review to gain an understanding and map the potential risks should be undertaken and a plan developed, including appropriate funding and investment, for climate resilience across the Council estate and operations.

2024/25 Progress Statement

- The SIC Climate Change Risk Assessment Project has been established. This project will develop and agree a framework for a Climate Change Risk Assessment (CCRA) for SIC estate, infrastructure, assets and services, based on a pilot undertaken in the South Mainland of Shetland. The pilot will include data gathering, mapping and analysis, stakeholder engagement and workshops, climate change risk assessment, prioritised mitigation measures and adaptation plans, report on findings and recommendations for rolling out wider than the pilot area.

Updates to recommendation for 2025/26:

- Recommendation to remain the same and continue to work towards it, ensure funding and investment is included in adaptation plans and mitigation measures developed.

Appendices

Appendices

- Appendix A.1 – Climate Change Programme Priorities for 2025/26
- Appendix A.2 – Progress Report – CCS Action Plan – Sept 2025
    - These documents are refreshed weekly and can be accessed from the following link: Climate Change Programme Priorities for 2025/26
- Appendix B.1 – Emissions Breakdown – Data Source
- Appendix B.2 – Emissions Breakdown – Emissions Factors
- Appendix B.3 – Emissions Breakdown – Calculated Emissions