Shetland Islands Council

Climate Change Progress Report 2025/26

Public Bodies Report on Compliance with Climate Change Duties 2025/26

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Executive Summary

In May 2019, Scotland 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.

The 2025/26 SIC Annual Climate Change Report is the third progress report by the Council. 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.

Emissions

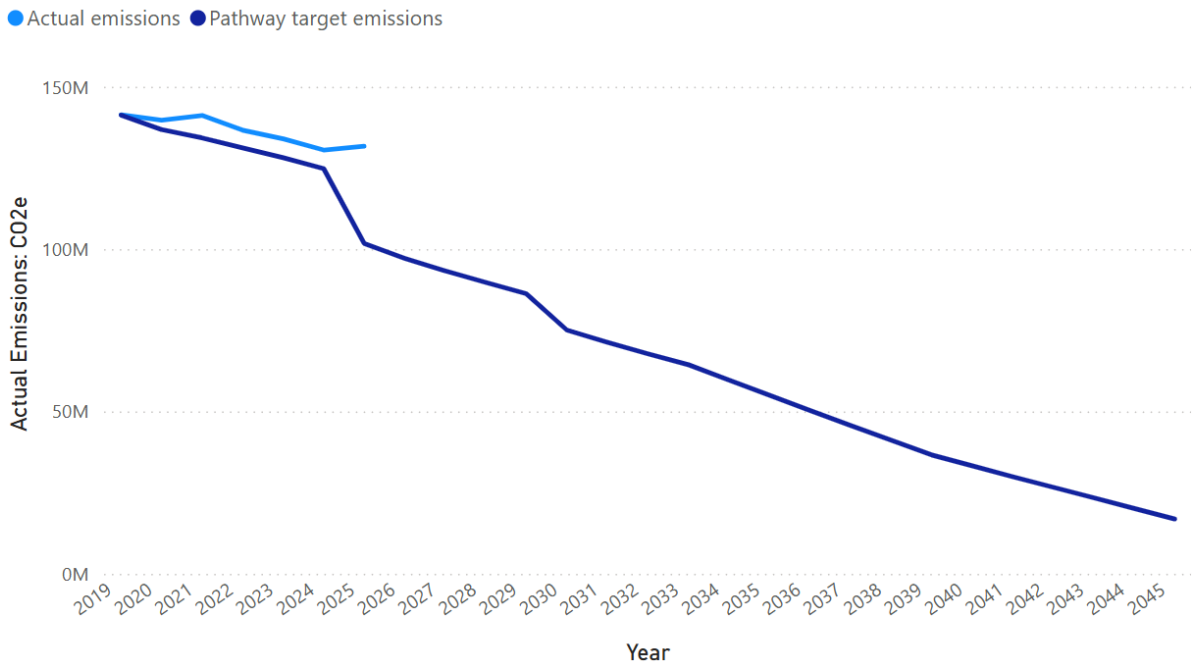
In 2025/26, annual greenhouse gas emissions have increased by 1,158 tonnes from 2024/25 but have reduced by 13,046 tonnes from our 2019/20 baseline figure. This is a 9% overall reduction from our 2019/20 baseline, which means we have not met our emissions target reduction of 30% set for the Council in our Net Zero Route Map for 2025/26.

Progress on our 2025/26 target

	2019/20 Baseline (tCO_2e)	**2025/26 Target (tCO_2e)**	**2025/26 Actual (tCO_2e)**	**Target % Change on Baseline**	**Actual % Change on Baseline**
Domestic	19,229	*3,531*	18,384	- 81%	- 3%
Non-Domestic	8,766	*2,496*	7,731	- 72%	-12%
Transport	19,086	*16,228*	16,459	- 15%	-14%
Infrastructure	25,114	*17,121*	25,390	- 22%	+1%
Land	72,517	*62,379*	61,232	-14%	-16%
TOTAL	**144,713**	**101,755**	**131,667**	**-30%**	**-9%**

Actual Emissions and Target Emissions Reductions

Since 2019/20, emissions have reduced across all areas apart from Infrastructure. Within 2025/26, while we have not met our overall emissions reductions targets, we



were close to our target reductions for land and transport. A key reason for not meeting our target is the use of the Shetland Grid electricity emissions factor within the 2025/26 report year. The 2025/26 target was set based on Shetland becoming connected to the UK electricity grid within this report year. As this has not happened yet, the Shetland Grid electricity emissions factor has been used, which accounts for the high electricity emissions in comparison to the target.

Summaries for each sector are provided below.

Transport

Our transport emissions have remained steady across fuel sources (these include diesel, marine gas oil and aviation spirit). Some reductions have occurred such as sold aviation fuel and gas oil use in pilot boats. Though a sharp drop in transport emissions was seen in 2020, due to service and behavioural change because of the COVID-19 pandemic, our emissions from transport have started to rise again as we have returned to ‘the new normal’.

The use of grid electricity by fleet vehicles has increased by over 300% between 2024/25 and 2025/26. This is due largely to the addition of new electric vehicles (EVs) to the fleet and the prioritisation of use of EVs. While challenges remain to expand the charging infrastructure, this change has resulted in a positive increase in EV use resulting in EVs now forming 16% of the small vehicle fleet.

The amount of marine gas oil used in our ferry fleet has remained steady across the years with a slight reduction shown for 2025/26. The ferry fleet is a significant emissions source and alone accounts for approximately 69% of council transport emissions, and approximately 8.6% of overall council emissions for 2025/56 (16% when Land is excluded).

The reduction in use of vessels at Sullom Voe is reflected in this year's data. The use of gas oil for pilot boats has continued to reduce since the move away from red diesel in 2022, resulting this year in a total decrease of 84% from the baseline year. There was also an increase of roughly 7% in grid electricity used by vessels, which is due to the extended periods that our vessels are using onshore power.

The use of aviation spirit for Council aircraft has remained steady. For the sold aviation spirit, considerable fluctuation and a general decrease can be seen. This is due to the demand for this fuel changing depending on what activities or projects are taking place in Shetland at the time that use aircrafts.

In the 2024/25 report, reductions were apparent in business travel, however these have increased with an additional 87 trips being undertaken by Council staff in 2025/26. It is important to note that business travel remains much lower than the baseline year. It will be important to retain some of these behavioural changes adopted, such as reduced business travel and reduced commuting, to ensure we remain in line with pathway emissions.

A fleet transition plan for our air and sea-based fleet is required. This should include the appropriate funding and investment and must be developed and implemented as a priority to meet emissions targets. Works have begun in establishing this through the SIC Transport Decarbonisation Programme.

In June 2026, the Council agreed to proceed with the next phase of the Inter-island Transport Connectivity Programme which includes sub-sea tunnels. Due to the long-term nature of this programme and future implementation of potential tunnels, the need for an air and sea-based fleet transition plan remains if we are to reach our emissions reductions goals and continue our service provision.

Collaboration continues across services and teams and involves many items of ongoing work focused on transitioning our transport sector such as:

- Shetland Inter-Island Transport Connectivity Programme
- Public Transport Connectivity Review
- Greening the Fleet Programme
- EV Infrastructure Strategy and Roll Out
- Shetland Car Club Project
- Active Travel Projects

Domestic Buildings (SIC Council Housing)

The Council is a strong position to reach our target of having our housing stock be heated by 100% zero carbon energy sources by 2030. This is due to it already being heated by 98% zero carbon energy sources.

Shetland is expected to be connected to the UK electricity network later this year, and once this connection is complete, emissions from our housing stock will significantly decrease. While the vast majority of our housing stock will be heated from zero carbon sources at that point, work will continue to make houses more energy efficient, to reduce energy use and, for the health and comfort of tenants.

Non-Domestic Buildings (Operational Estate)

76% of energy used in our operational estate in 2025/26 was from clean energy sources, which include electricity and district heating. This is an increase of 15% from last year. Gas oil remains the second largest energy source used following electricity, accounting for 22% of all operational estate energy use.

Energy use across the operational estate has continued to decrease for all fuel sources other than burning oil and liquid petroleum gas (LPG). We continue to make better use of energy systems in building to use less energy in the future.

While use of burning oil has increased, this remains much lower than the baseline year. The usage data for LPG fluctuates significantly over time, which may be due in part to invoice collation and to the energy demands of the Scatsta airport building. Scatsta was taken over by the SIC in 2020 and is the only building which uses LPG for heating, which is being run as a 'setback' level to maintain the building. There are two care homes which use LPG for cooking, and this use also fluctuates over time depending on demand.

Our estate is broad-ranging in terms of efficiency, age and building type and is currently unsustainable. At times 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. Works have begun on this through the SIC Estate Decarbonisation Programme. It is recognised that inconsistencies and gaps in data add additional challenge in developing and delivering this programme. A priority area of work currently ongoing is to build a comprehensive and consistent base of data on which the estate decarbonisation plan will be based.

Several strategies and work packages are currently ongoing which inform and contribute to 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)

Infrastructure

All operational services provided by the council that are not covered through 'buildings' or 'transport' are covered by our Infrastructure emissions. This includes

the Energy Recovery Plant, landfill, recycling, Rova Head, Scord Quarry, Street Lighting, Navigation Lights and Radar Station (Toft).

After Land, Infrastructure remains our highest emitting sector and is 21% of overall emissions in 2025/26. Emissions from Infrastructure for 2025/26 are, in this reporting year, 1% higher than our emissions baseline from 2019/20. We are behind our emissions target of a 22% reduction, set within Our Net Zero Route Map.

While many emissions reduced across infrastructure, there were some that have increased within this reporting period. This included sources such as burning oil and municipal waste. The most significant increase was seen in the use of burning oil (kerosene) at the Scord Quarry which is attributed to the large increase in demand for products for road surfacing, cabling and other construction.

An example of a significant project the Scord Quarry has provided services to within this report period is the SSEN North reinforcement project, which links Sullom Voe Terminal (SVT) to the Shetland Grid. Although increasing the council's emissions, infrastructure projects such as this bring economic value to the Council, and contribute to overall emissions reductions in Shetland, through enabling SVT to be powered from grid electricity, rather than diesel generated electricity.

In addition, large increases were shown for commercial and industrial waste and wood going to landfill. Spikes such as these in the data are not uncommon due to the relatively constant 'usual' numbers attributed to our activities, meaning changes are highlighted easily. For example, the commercial and industrial waste increases in this reporting period are due to the removal of portacabins at Gremista and SSE's disposal of sub soil and stones.

Emissions contained within Infrastructure cover a range of inputs and reporting mechanisms. These require efforts 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. There are several pieces of work currently ongoing, which would inform and feed into these areas such as the Road Asset Management Plan (RAMP) and, Strategies and Plans for the Lerwick District Heating Network.

The ERP remains a significant source of emissions and makes up two thirds of the council's 'Infrastructure' emissions. The ERP constitutes approximately 12% of overall council emissions for 2025/26. Waste heat from the ERP provides the main heat source for the Lerwick District Heating Network, which heats over 1,200 properties with affordable energy.

The ERP, Waste Management and Climate Change Strategy teams have been investigating the potential for carbon capture at the ERP to reduce emissions. This included engagement with external contractors to understand what options were available. These conversations revealed that the size of operations at the ERP and annual tonnage were much lower than those needed for 'usual' commercial projects. Explorations are ongoing in this area focused on finding technologies that would suit our operations.

In addition, these same teams have engaged with SEPA to fully understand the implications to the ERP's operations, if any, of the expansion of the UK Emissions Trading Scheme (UK ETS). As of 2028, Energy from Waste (EfW) facilities will be included in the UK's ETS. It remains unclear yet whether all facilities will be included or whether various criteria will be in place, such as limits to facility size or throughput. We are awaiting confirmation from the UK Government as to the ETS expansion.

Many of the strategies, programmes and projects mentioned in previous sections involve the Infrastructure service. In addition to those, there are several other pieces of work sitting within or involving Infrastructure, including:

- Alternative Fuel Trials – HVO
- Shetland Energy Charter
- SIC Estate Decarbonisation Project

Land

At 47% of emissions for 2025/2026, Land remains the Council's largest emissions source. This is from degraded peatland on the Council's landholdings. This is a similar level to those emissions attributed to land in the baseline year of 2019/20 which were 51%.

Further emissions reductions of approximately 716 tCO^2e have been made in land in the last reporting year. However, this has occurred through the sale of land by the Council rather than actions undertaken to lower those emissions. Of the 320 hectares of croft land sold in the last reporting year, 68 hectares of this was degraded peatland. It must be noted that emissions are not removed by sale of land but are transferred out of Council responsibility.

Several pieces of work continue in this area to address the emissions from council-owned land. These include:

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

Adaptation

Adaptation is about responding to and preparing for changes in climate. While adaptation and mitigation (efforts to reduce the GHG emissions) are often discussed together and may contain significant cross-over, they are fundamentally different concepts. Even if we cut all 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 identify potential impacts and prepare for 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, and, like many areas of the UK, such changes are likely to come in the form of warmer summers, wetter winters and increased storm activity. 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 global reductions in greenhouse gas emissions, can reduce the level and significance of climate change that we will have to adapt to. Also, through transitioning our services and infrastructure to reduce emissions, we can improve service delivery while 'future-proofing' and making 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 any negative impacts.

Last year, the SIC Climate Change Risk Assessment Project was established. This project will develop and agree a framework for a Climate Change Risk Assessment (CCRA) for SIC estate, infrastructure, assets and services. A pilot project has been undertaken focusing on the South Mainland of Shetland which included 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. The initial pilot report was approved by CMT. Included in the report was the recommendation to move into a phased approach for a Shetland-wide assessment. Officers are currently in the first phase of this which is to use SEPA and Dynamic Earth mapping programmes to produce a 'first pass' assessment. Once the Council has the LiDAR data, due later this year, the Planning service will be able to move into the second phase which will be to map this new data and improve the accuracy and nuance of assessments to develop dynamic pathways for Council buildings and property at high and very high risk.

In February of this year, the Climate Change Strategy team successfully applied for a share of a limited fund administered by the Scottish Government's Climate Ready Regions initiative. Climate Ready Regions are partnerships which bring together a range of different actors and stakeholders from a region to collaborate on "shared climate risks and build climate resilient places, communities and economies". In the Third Scottish National Adaptation Plan (SNAP3) the Scottish Government committed to expand Climate Ready Regions across Scotland by 2029. The creation of the Shetland Adaptation Partnership and this project constitute the first stage of the Climate Ready Regions development in Shetland.

The awarded funds have been used to engage external contractors to produce a report presenting the potential adaptation options for area of the road network in Sumburgh and will also be used to create the region's first regional adaptation partnership.

Enablers and Impact

Work towards achieving our strategic objectives and our targets are monitored through Key Performance Indicators (KPI). We have set specific KPIs around Housing, Operational Estate, Transport, Infrastructure, Land and Engagement. Continual review of our overall progress in achieving our Climate Change Strategy aims ensures 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. These often focus on non-technical barriers and thus our enablers focus on Leadership and Governance, Communications and Engagement, Data and Alignment, Raising Awareness and Procurement.

Our Climate Change Programme Performance Reporting is updated regularly and 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 again for the 2025/26 report year, derived from Shetland's diesel fired power station. The Shetland Grid is not yet connected to the UK grid though this is expected to be completed later this year. Thus, the Shetland Grid electricity emissions factor was most appropriate to use due to the data being reported on occurring while Shetland remains disconnected from the UK grid.

Once Shetland is connected to the National Grid, we will report electricity emissions using the UK grid emissions factor. This will result in a significant drop in emissions associated with grid electricity use in the report for 2026/27.

Conclusion

Overall, our emissions have increased in this reporting period, though there have been important reductions in some areas. Although the large emissions associated with grid electricity use will decline over the next year due to external infrastructure changes, greater progress is needed to reduce our emissions in many areas.

The data shows changes in the emissions associated with fuel type and usage. Some of the increases seen show positive progress toward achieving emissions reduction targets. One example is the increase in grid electricity used by the

Council's vehicle fleet which correlates with a lower usage of petrol in small vehicles. This shows a move away from fossil fuels towards more uptake of electric vehicles which lowers our emissions for Transport.

Other increases within our emissions have resulted in not meeting our emissions reduction targets. Data for this reporting year shows increases in emissions from areas such as Business Travel, Burning Oil, Water usage in the Non-Domestic Estate and Diesel by Council Fleet Vehicles. This is the third annual climate change report and as such it is perhaps too early to identify real trends across our data. However, it is clear we are not making progress in line with targets in multiple areas which shows determined, targeted and focused action is needed to address this.

The following sections provide a closer look at each sector's emissions. KPIs are used to monitor progress, and each section has a commentary to provide context and hone in on specific items of data where appropriate, after which we discuss the Enablers.

Background

Introduction

Climate change is the long-term shift in global climate patterns and average temperatures due to the additional greenhouse gas emissions emitted by human activities.

The impacts of climate change, such as extreme weather events and rising sea levels, are, and will continue to be, significant and wide reaching. The most vulnerable members of society are likely to be disproportionally impacted by these adverse effects.

In Shetland, there are numerous risks we are likely to be exposed some of which will be new, and some may be present risks exacerbated and heightened by the changing climate. These include increased frequency of extreme weather events, increased rates of flooding, ocean acidification and warming, disrupted supply chains, and increased pests, pathogens and invasive species. 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.

As mentioned, 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.

In January 2020, Shetland Islands Council acknowledged a Climate Emergency in which prompted the creation of the Climate Change Programme. The Programme's purpose is to, as far as possible, minimise the risks of climate change to the Shetland community and exploit all potential opportunities and benefits. Here, 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 a 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 across the Council's services 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 was built through a combination of 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. These documents were developed in line with the Design Council's framework for innovation design methodology: the 'Double Diamond' design process. Logic modelling was then used to develop 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, operations and working patterns. 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 also held to present the strategy and framework and gain feedback to ensure input from political leadership and community interests.

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

In December of 2023, the Council approved the Shetland Islands Council Climate Change Strategy and Action Plan. Each year a progress report will be produced and published detailing progress made towards climate targets. This is the third SIC climate change progress report, following on from SIC Annual Climate Change Report 2024/25.

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 (tCO2e)	Scope 2 (tCO2e)	Scope 3 (tCO2e)	Total (tCO^2e)
2019/20	112,171	27,748	4,795	144,713
2020/2021	109,980	26,321	3,387	139,687
2021/2022	111,141	26,443	3,567	141,151
2022/2023	107,320	25,743	3,565	136,628
2023/2024	104,522	25,828	3,593	133,942
2024/2025	104,432	25,534	3,543	130,509
2025/2026	102,648	25,531	3,488	131,667

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	144,713	**2030/31**	75,015	48.1%
TOTAL	2019/20	144,713	**2035/36**	55,013	62%
TOTAL	2019/20	144,713	**2040/41**	33,283	77%
TOTAL	2019/20	144,713	**2045/46**	16,891	88.3%

Progress on our 2025/26 target (Including land)

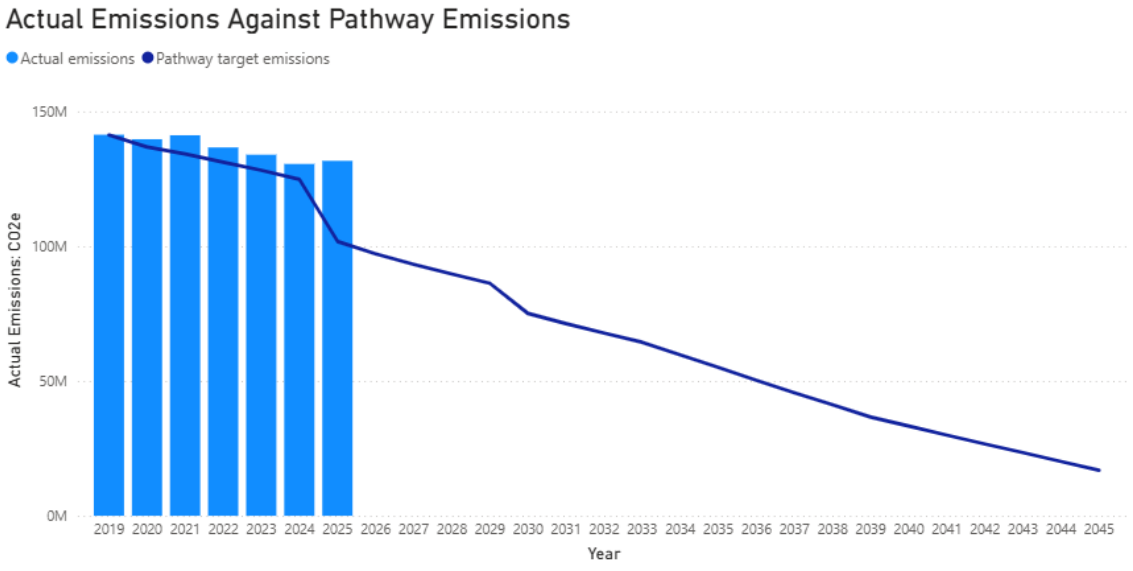
	2019/20 Baseline (tCO_2e)	2025/26 Target (tCO_2e)	2025/26 Actual (tCO_2e)	Target % Change on Baseline	Actual % Change on Baseline
Domestic	19,229	3,531	18,384	-81%	-3%
Non-Domestic	8,766	2,496	7,731	-72%	-12%
Transport	19,086	16,228	16,458	-15%	-14%
Infrastructure	25,114	17,121	25,390	- 22%	+1%
Land	72,517	62,379	61,232	-14%	-16%
TOTAL	**144,713**	**101,755**	**131,667**	**30%**	**9%**

Progress on our 20225/26 target (Excluding land)

	2019/20 Baseline (tCO_2e)	2025/26 Target (tCO_2e)	2025/26 Actual (tCO_2e)	Target % Change on Baseline	Actual % Change on Baseline
Domestic	19,992	3,531	18,384	-81%	-3%
Non-Domestic	8,766	2,496	7,731	-72%	-12%
Transport	19,086	16,228	16,458	-15%	-14%
Infrastructure	25,114	17,121	27,863	-22%	+1%
TOTAL	**72,196**	**39,376**	**70,436**	**-46%**	**-2%**

Overall Progress

Total SIC Emissions: Actual Emissions vs Pathway Emissions



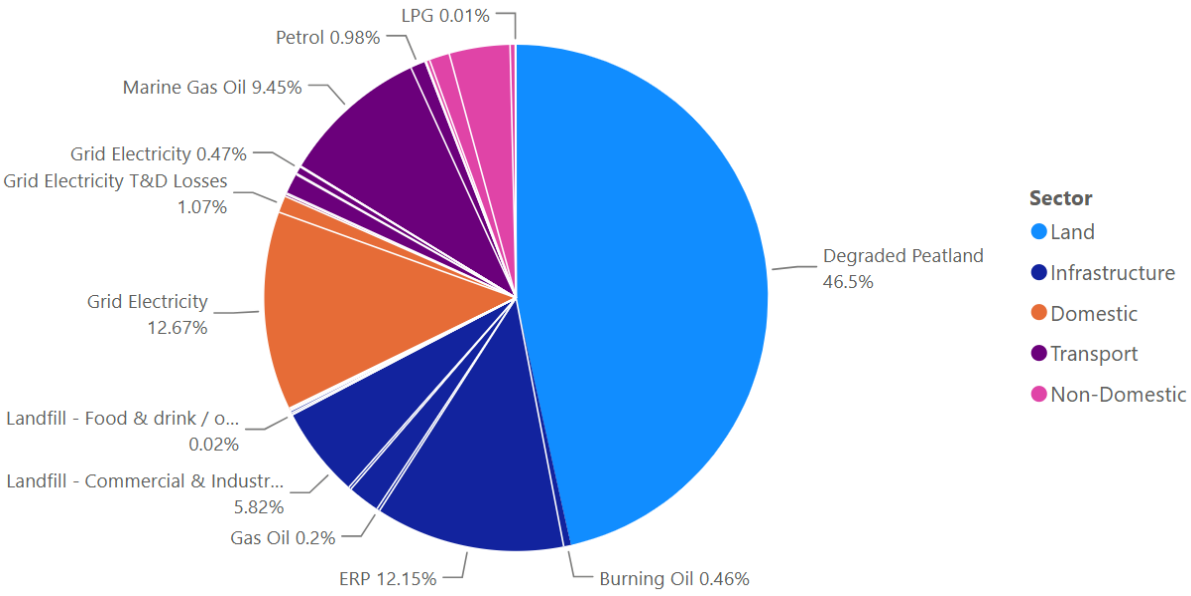
The graph above shows how our overall actual emissions perform against our target emissions. The data in this graph includes all emissions across:

- 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.

2025/26 Overall Emissions by Sector (Including Land)

The below pie chart shows our emissions, broken into sectors, for 2025/26.



The chart is broken down into the sectors of Domestic (Housing), Non-Domestic (Operational Estate), Transport, Infrastructure and Land.

Percentage of emissions by sector:

Land: 47%

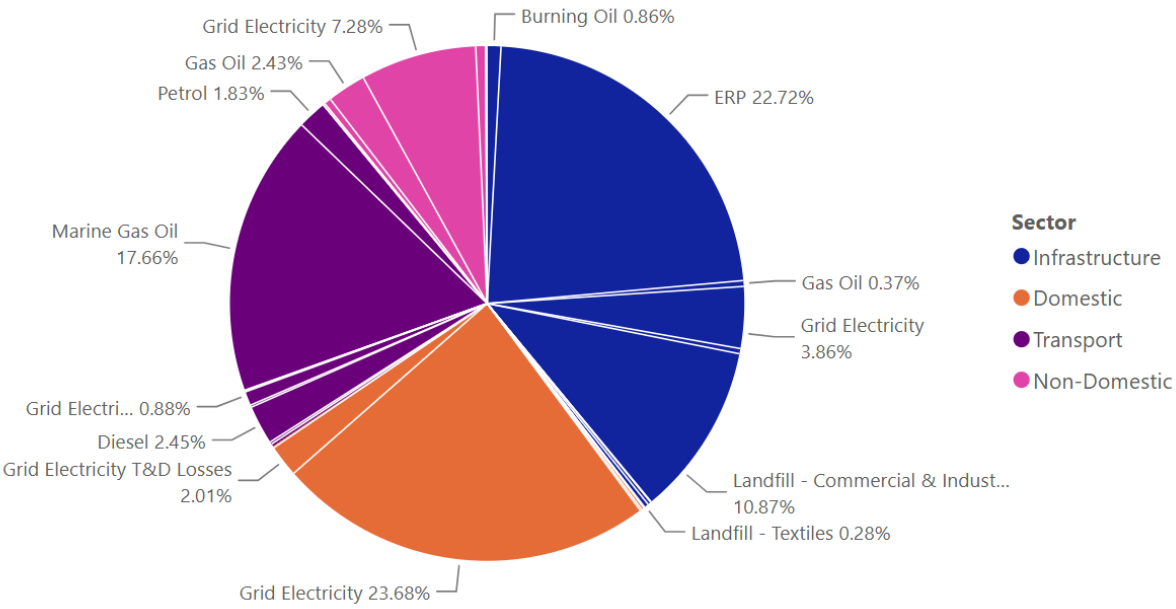
Infrastructure: 21%

Domestic (Housing): 14%

Transport: 12%

Non-Domestic (Operational Estate): 6%

2025/26 Overall Emissions by Sector (Excluding Land)



The above table shows the same sectors and their emissions sources, without emissions for Land.

Percentage of emissions by sector:

Infrastructure: 40%

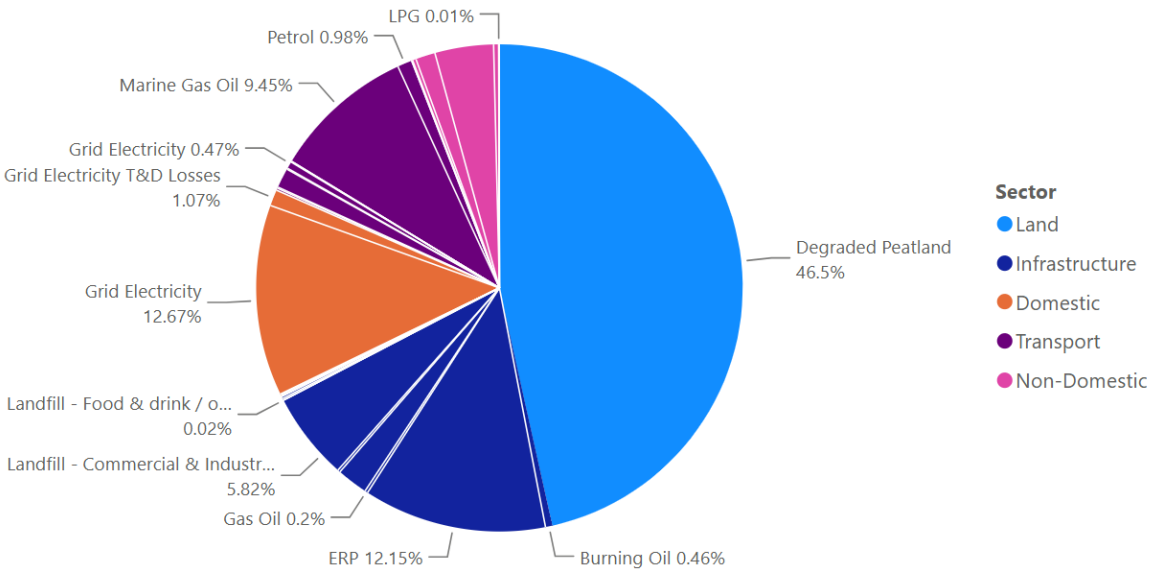
Domestic (Housing): 26%

Transport: 23%

Non-Domestic (Operational Estate): 11%

<u>Overall Emissions by Source</u>

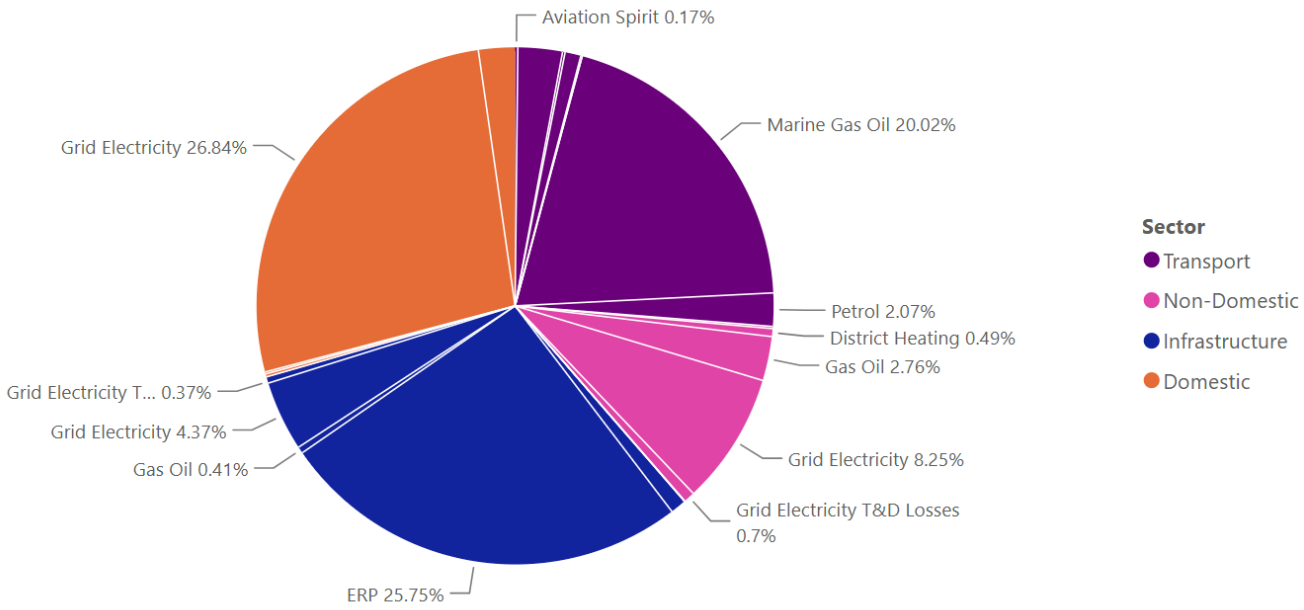
The below pie chart shows our emissions broken down by emissions source for each of the sectors.



Emissions from land, which is degraded peatlands, accounts for almost half of council emissions. The ERP, Grid electricity and marine gas oil are the other dominant emissions sources for this reporting year.

Overall emissions by Fuel Type

The below chart shows the emissions breakdown by fuel type. This relates only to fuels and does not cover all emissions sources.



Overall Emissions Commentary:

- Emissions have reduced by 13,046 tCO^2e from our baseline year of 2019/20. This falls short of the target reduction of 42,958 tCO^2e by this point.

- Emissions from land are again the highest of any sector and are attributed to degraded peatland on the Council's landholdings. A significant emissions reduction of 716 tCO^2e has been made in land since the baseline year, predominantly through selling landholdings which have areas of degraded peatlands within them. In 2025/26 land makes up 47% of emissions which is down from the baseline year where land accounted for 51% emissions.

- 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 is why we do not see an annual drop in emissions factor associated with annual emissions reductions in national grid electricity from the continuing addition of renewable energy. Shetland is expected to be connected to the national energy grid for the first time later this year. This means that from the report year 2026/27 onwards 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. Energy from renewables now supplies between 45-50% of that on the national grid.

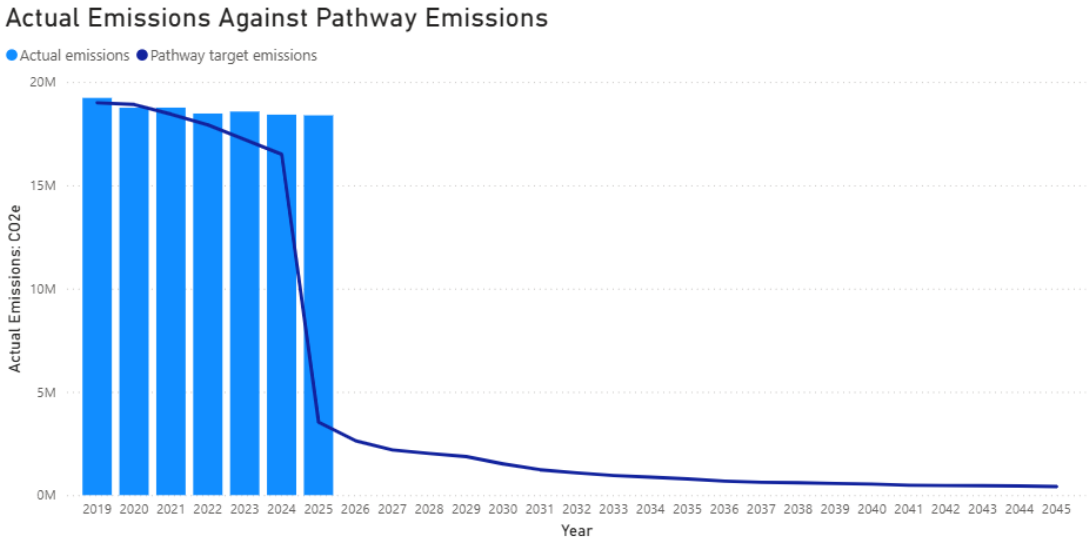
- It should be noted that the emissions factor for district heating is calculated based on emissions from the Energy Recovery Plant plus emissions from top up oil-fired boilers used across the year by Shetland Heat Energy and Power (SHEAP).

- 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 there are zero direct greenhouse gas emissions associated with energy use by the buildings or vehicles; emissions are the responsibility of the point source of energy generation.

- A more detailed analysis of the data is provided below, 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 2025/26 are 3.2% below our emissions baseline from 2019/20. This falls far from the domestic buildings target set for 2025/26 of 81% below our baseline emissions. It is important to note, that the targets set for 2025 assumed that Shetland would be connected to the UK electricity grid by or during this reporting period, which is now expected to happen in the latter half of 2026. Due to high proportion of domestic housing that is electrically heated, we will see a significant reduction in emissions once Shetland is connected to the UK electricity grid.

Housing Key Performance Indicators

Total number of properties:

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
1735	1734	1736	1735	1737	1736	1738

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	2025/26
97.3%	97.64%	97.41%	97.52%	97.81%	98.27%	98.50%

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	2025/26
1.15%	1.21%	1.21%	1.44%	1.44%	1.90%	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	2025/26
97	36	54	29	51	35	25

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

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
9	11	11	3	10	4	6

Domestic (SIC Council Housing) Commentary.

- The data used here is taken from the Home Analytics Database (HAD). The HAD is a national database and the information is largely based on available EPC information. 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.

- Previously wood pellets had been listed as a Domestic Scope 1 emissions source, but this has been changed, and coal is now listed in its place. The use of coal (previously wood pellets) has continued to reduce due to the upgrading of heating systems in Council-owned properties, as has burning oil for the same reason. We do not have biomass heating systems in Council-owned domestic houses, though there are some which still have fireplaces where wood or peats may be burned.

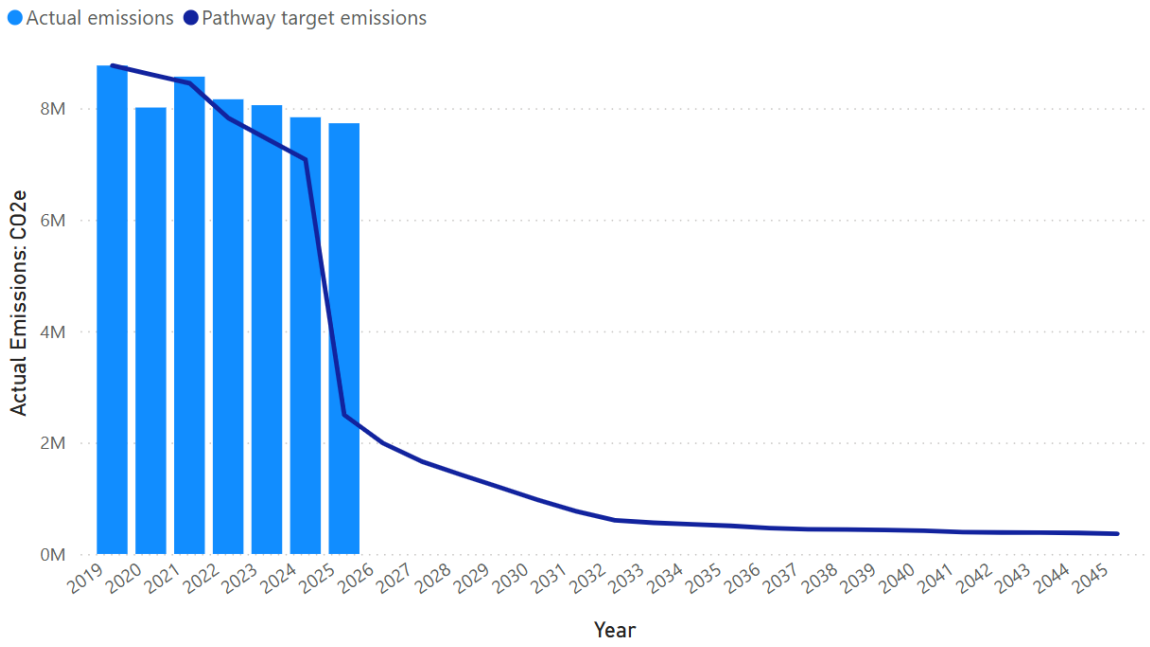
- The Council's housing stock is almost entirely heated from zero carbon emissions sources at 98% zero carbon. This includes a mix of storage heating, air source and ground source.

- For this reporting year, domestic buildings accounts for 26% of overall Council emissions (this excludes land; when land is included, domestic buildings accounts for approximately 14% of overall council emissions). Once Shetland is connected to the UK electricity network, expected later this year, emissions

from our housing stock will significantly decrease, as can be shown in the pathway in the graph above. Despite our housing stock becoming almost entirely heated from zero carbon sources at that point, work must continue to make 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 2025/26 are 12% below our emissions baseline from 2019/20. Our Net Zero Route Map set a target reduction of 72% below our baseline emissions for 2025/26. Once again, this target was derived with the expectation that we would be connected to the UK electricity grid and therefore emissions associated with electricity use would be considerably lower. Once Shetland is connected to the UK electricity grid, we will see a significant decrease in emissions associated with our non-domestic estate.

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	2025/26
63%	63%	63%	61%	62%	61%	76%

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	2025/26
30%	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	2025/26
Insulation	3	3	2	0	0	3	3
Windows	6	3	4	5	4	6	8
Doors	6	3	10	10	14	6	7
Boilers	1	1	2	4	2	0	13
Lighting	8	8	9	7	8	7	11
Heat Pump	3	3	5	8	9	4	3

Operational Estate Commentary

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

- Within this report year, our operational estate accounts for 11% of overall Council emissions (this excludes land; when land is included, non-domestic buildings accounts for approximately 6% of overall council emissions).

- Our energy use in the operational estate has decreased across most fuel sources, which includes; grid electricity, district heating, gas oil, and wood pellets. Works to optimise the operation of building energy systems is ongoing which accounts for the decrease in the fuel types above.

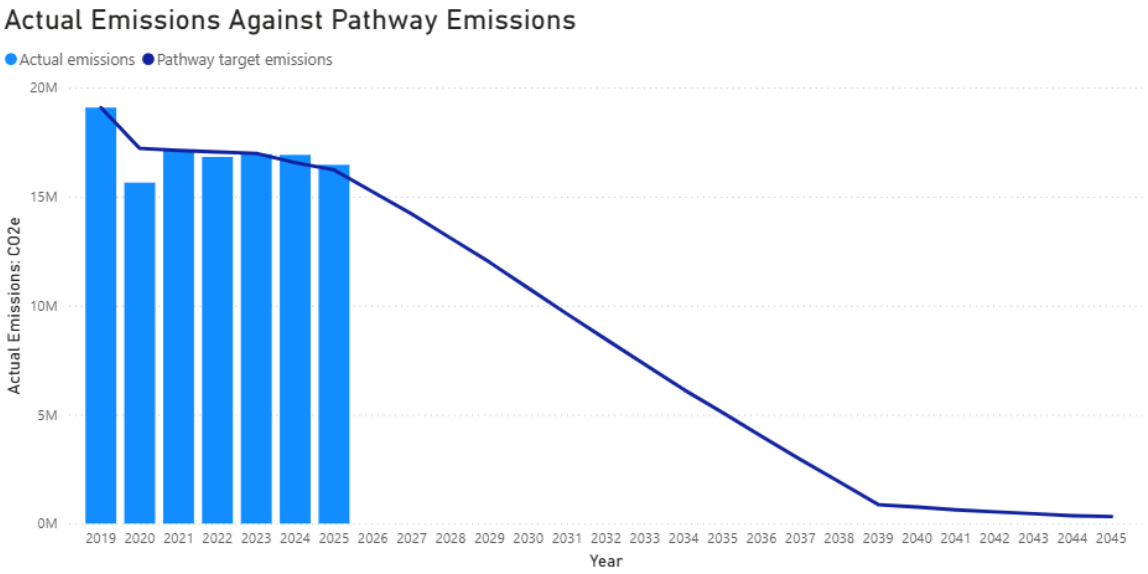
- Our use of LPG (liquified petroleum gas) and burning oil has slightly increased between 2024/25 and 2025/26. The reasons for this relate to the infrequency of invoicing patterns and order placements. Actual demand is relatively stable. However, use of LPG can change at ET and Taing for example where the demand can vary depending on whether the Meals on Wheels Service is being run. Staffing has impacted this service meaning use can change.

- 76% of energy used in our operational estate in 2025/26 was from clean energy sources, which include electricity and district heating.

- Gas oil is the second largest energy source used following electricity, accounting for 22% of all operational estate energy use. Several of our schools and care homes are heated using gas oil.

Transport

Transport Emissions



Emissions from transport for 2025/26 are 14% below our emissions baseline from 2019/20, which has not met our Net Zero Route Map target reduction of 15% from our baseline emissions. This is the second year that Transport emissions have fallen behind target.

Transport Key Performance Indicators:

Total number of fleet small vehicles to the end of the report year:

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

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
133	149	160	155	152	169	170

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	2025/26
5.26%	6.04%	14.38%	14.84%	15.13%	13.02%	16%

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	2025/26
109	123	125	129	130	124	127

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	2025/26
0%	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	2025/26
30	33	31	27	26	21	26

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	2025/26
0%	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	2025/26
52	53	55	59	61	63	61

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	2025/26
0%	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	2025/26
24	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	2025/26
0%	0%	0%	0%	0%	0%	0%

Number of aircraft included within report year:

2019/20	2020/21	2021/22	2022/23	2023/24	2025/26
2	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	2025/26
0%	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.

- Marine Gas Oil use by Ferries again dominates the emissions within Transport at 69%. Deisel use by the Council vehicle fleet is the second largest emissions source for Transport at 10%.

- Similarly to 2024/25, emissions from transport have not reduced and instead stayed relatively stable. There are some emissions sources that reduced slightly (e.g. gas oil for pilot boats) and some that have increased slightly (e.g. business travel).

- Business travel has increased from in the last reporting year with over 80 additional trips taken in 2025/26 compared to 2024/25. Several trips included international flights and domestic travel to more remote places such as islands off the UK mainland.

- A slight increase was seen in diesel use in the Council fleet between 2024/25 and 2025/26. Petrol use in the fleet saw a reduction of 13 tCO^2e between 2023/24 and 2024/25.

- KPIs show the percentage of fleet vehicles that are fuelled from clean sources increased to 16% 2024/25. In the report year 2025/26, 10 petrol vehicles were added to the fleet. This shows positive progress though, installing charging infrastructure in required locations for council fleet vehicles remains a challenge for continuing the rollout of electric vehicle usage. This is due to electricity grid capacity availability. Efforts are ongoing to understand grid constraints and find measures to address this.

- The use of electricity across all vessels has increased for this reporting year, resulting in an % increase in emissions.

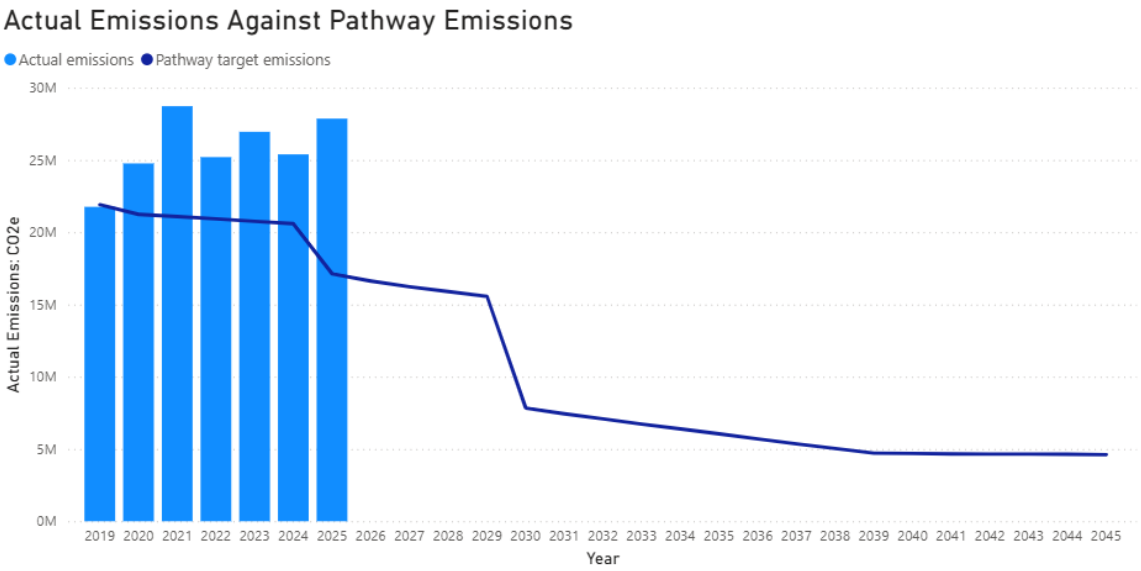
- Our emissions from internal aircraft increased very slightly by 3% between 2024/25 and 2025/26.

- The Council ‘grey fleet’ mileage claims have remained steady between 2024/25 and 2025/26.

- Again, 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.

Infrastructure

Infrastructure Emissions



Emissions from Infrastructure for 2025/26 have increased by 1% compared to our emissions baseline from 2019/20. Our Net Zero Route Map set a target reduction of 22% from our baseline emissions, meaning we have fallen well behind target.

Infrastructure Key Performance Indicators

- Percentage of waste to landfill

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
33%	32%	51%	26%	33%	38%	45%

- Percentage of waste to Energy Recovery Plant

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
59%	61%	44%	67%	60%	57%	50%

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

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26

8%	7%	5%	7%	7%	5%	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%

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 2024/25 and 2025/26.

- The total amount of waste incinerated at the ERP has increased by 559 tonnes in this report year, resulting in an emissions increase of 344 tCO^2e.

- The data currently held and updated is also constantly being updated to ensure any changes to conversion factors are incorporated and that our understanding of the data itself is interrogated. This year, it became clear that the conversion factor for commercial and industrial waste that goes to landfill should be changed to be the standard UK GHG conversion factor for this waste type. Previously, the factor used had been augmented to reflect the largest component of this waste type, crushed rock, in the 2019/20 baseline year. Due to the mix present in the commercial and industrial waste to landfill in the years since then, this has now been updated to the UK standard. This change has meant the waste emissions and overall Council emissions have increased but they are now more accurate and future years will be in line with these.

- Changes have also been made to the way we calculate emissions attributed to municipal waste, or MSW, that goes to landfill. The vast majority of our MSW is eventually burned at the ERP, however, it is done so when the tonnages going to the ERP are low and need to be supplemented. Until this time, it is transported to and stored at the landfill site. To reflect the true journey of this waste stream, our calculations have been changed to include the total tonnage of MSW incinerated is included in the total tonnage sent to the ERP. A residual amount does remain at the landfill permanently and thus is recorded as MSW to Landfill.

- The final change to the data input and interrogation for Infrastructure was the inclusion of HVO fuel. HVO is used in the skip truck and one essykert (waste collection vehicle) currently as part of a successful trial project. This is expected to be expanded to make HVO fuel available to the wider range of fleet vehicles.

- Recycling collections were updated this year, resulting in a wider range of plastics being collected including plastic pots, tubs and trays. In this reporting year, we saw an increase of roughly 30 tonnes of additional plastic being sent to recycling which may well be attributable to the expanded collections.

- Recycling rates remain well below those needed if we are to achieve our target of having 30% of waste be recycled by 2030. The percentage of recycled waste is, of course, impacted by the varying amounts of other waste types meaning that this will appear lower in some report years such as this were there has been a high amount of waste types going to landfill. Throughout the year efforts have been made to raise awareness of the importance of recycling through campaigns and production of media to promote recycling and explain collection changes. A continued effort is required to improve recycling rates across Shetland.

- Burning Oil used for Scord Quarry has increased significantly between 2024/25 and 2025/26. This is due to the increased amount of kerosene, used in asphalt mixing, which has increased this year to a much higher demand for products from the site. Products are used by the SIC for road resurfacing but are also bought by private companies, such as SSE, for resurfacing and other activities including the installation of new cabling. An example of a significant project the Scord Quarry has provided services to within this report period is the SSEN North reinforcement project, which links Sullom Voe Terminal (SVT) to the Shetland Grid. Although increasing the council's emissions, infrastructure projects such as this bring economic value to the Council, and contribute to overall emissions reductions in Shetland, through enabling SVT to be powered from grid electricity, rather than diesel generated electricity.

- Water in ERP - Use of water required in the ERP has reduced by over 2,300 cubic metres between 2023/24 and 2024/25.

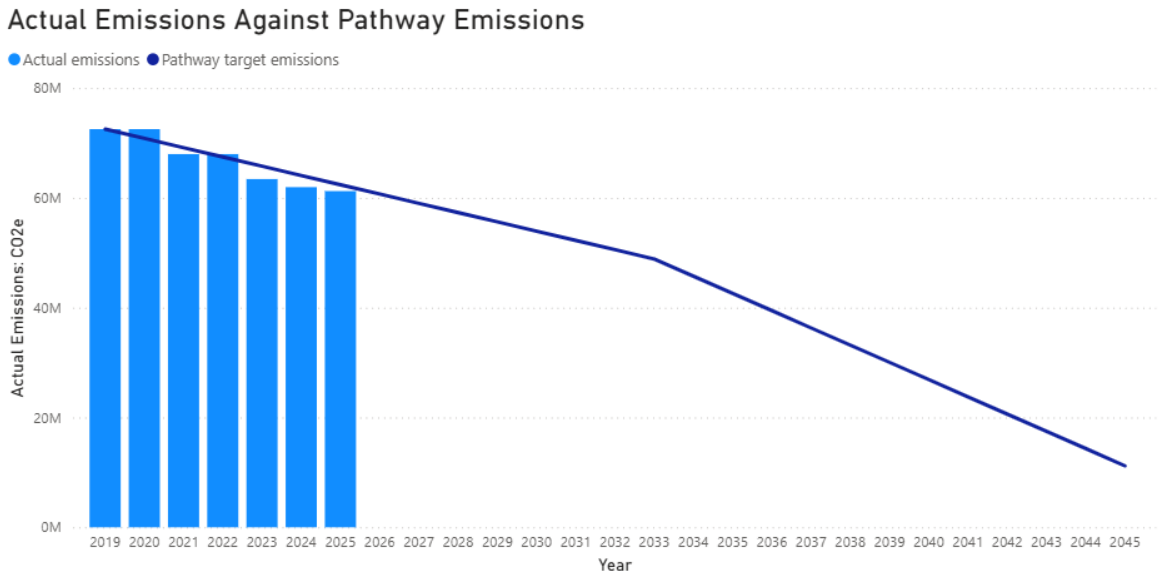
- Gas Oil use at the ERP has increased slightly though Scord Quarry as remained steady.

- Landfill – Waste to landfill has generally remained steady between 2024/25 and 2025/26 though there have been some increase in commercial and industrial waste in the last year. This increase in commercial and industrial waste is largely due to the removal of portacabins in Gremista and subsoil and stones removed by SSE as part of ongoing works.

- The ERP makes up 57% of the council's 'infrastructure' emissions, and approximately 12% of overall council emissions for 2025/26.

Land

Land Emissions



Emissions from land for 2023/24 are 16% below our emissions baseline from 2019/20. This means we have reduced emissions more than our target reduction of 14% from our baseline year.

Land Key Performance Indicators

- Total number of hectares land owned

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
18,541	18,541	17,991	17,991	17,380	17,380	17,060

- Total number of hectares of degraded peatland owned

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
6,882	6,882	6,451	6,451	6,019	5,879	5,811

- Percentage of land owned that is degraded peatland

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
37%	37%	36%	36%	35%	34%	34%

Land Commentary

- In 2025/26 Land makes up 47% of emissions.
- Land is our most significant emissions source. This is due to the emissions from degraded peatland on the Council's landholdings.
- Emissions reductions from Land have continued, totalling 716 tCO2e since 2024/25. This has occurred through the sale of landholdings which include degraded peatlands. Using Corine land cover data, approximately 931ha (out of the 1420ha 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.

Enablers and Impact

Indicators are set for Enablers and Impacts to show and monitor the progress we are making working towards our strategic objectives and targets. Here, 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. An update on progress made towards our climate change aims and KPIs is presented 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 2025/26, we made 7% emissions reductions since the baseline year of 2019/10, which is far from our emissions reductions target of 28% by this point. These reports are submitted to Council but also constituted our Public Bodies Climate Change reporting. This not only provides regular and consistent monitoring of our efforts and progress but also gives a transparent view of Council activities and action taken to address Climate Change.

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

- The **SIC Climate Change Risk Assessment Project** has been established and includes, for now, pilot and outline projects determining the current risks and potential adverse impacts to SIC assets and services from climate change. This year, LiDAR scanning is being undertaken for the whole of Shetland, which will provide the most up to date, comprehensive dataset regarding the landscape of Shetland.

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

- Central to our work tackling climate change, we aim to ensure that equality and fairness are considered at every step. In recent years, we have rolled out Climate Change Impact Assessments (CCIA) which now form part of the suite of impact assessments in place to protect and support our communities, businesses and the environment.

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

- There are several project areas focused on maximising the social, economic and environmental benefit to the Shetland community. Examples are provided

below, and each of these has a description provided in the following Spotlights section:

- Climate Change Impact Assessments
- Shetland Energy Charter
- 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	2025/26
3911	3528	3574	3489	3531	3533	3621

Number of staff that have undertaken Climate Emergency Training

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
0	0	8	23	96	115	118

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

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
29	30	32	34	33	31	30

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	2025/26
0%	0%	0%	12%	22.5%	24.2%	24.2%

Total number of Elected Members for report year:

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
22	22	23	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	2025/26
0%	0%	0%	0%	48%	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	2025/26
0	0	0	260	250	350	390

Engagement commentary

We have seen a significant reduction in the number of staff members that have attended the full course of the Climate Emergency training. This is likely due to the incorporation of a condensed version into the Council's onboarding materials for new staff and the likelihood that staff with an interest in this area have already undertaken the training. For senior staff, it is understood that time constraints remain an issue which may impact the continued uptake of the training by this group. We have missed our target of having 50% senior staff undertake the training and are unlikely to achieve our goal of 100% of senior staff undertaking the training by the end of 2026. Further examination of how to encourage senior staff to undertake the training is needed.

The Shetland Climate Festival has continued to attract more attendees every year which has meant we've achieved our goal of increasing attendance by 10% each year. Feedback from exhibitors at the festival remains positive and there is now a core group of regular exhibitors at the festival.

Recommendations

In the 2024/25 Climate Change Report recommendations were made for how we accelerate progress on climate action. This 2025/26 Climate Change Report reviews progress made towards those recommendations and updates them to be more relevant for what is required to achieve our 2026/27 priorities.

Progress on recommendations made for 2025/26:

In the 2024/25 report, the following recommendations were made for 2025/26:

1. **Resource is made available to review related data (covering energy, emissions, efficiencies and climate change) 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.**

2025/26 Progress Statement:

- The Climate Change Strategy team continues to lead on examining the data types and sources that feed into the Annual Climate Change Report. Various other council areas are feeding into this including 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.

Updates to recommendation for 2026/27:

- The Climate Change Strategy team is undertaking to learn and explore how data can be interrogated in the Power BI Desktop application. Efforts should be made to establish how officers from across the Council can be supported to update, use, present and view different data sets.

2. **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.**

2025/26 Progress Statement

- There has not been progress of note made on this recommendation within 2025/26.

Updates to recommendation for 2026/27:

- Remain the same and continue to work towards recommendation.

3. **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 continues in key areas including ferry service resilience, developing the Inter-Island Transport Connectivity Project and there are several actions and work packages progressing under the 'Greening the Fleet' programme such as expanding the roll out of EVs.
- Targets remain unmet though, meaning a Fleet Transition Plan which oversees and links all work areas is still needed.

Updates to recommendation for 2025/26:

- This Plan should be set up to allow for collaboration across services and programmes with a lead officer and supporting officers identified to commit the resources needed, identify barriers to progress, agree actions, identify funding and investment options and develop an implementation plan.

4. **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.**

2025/26 Progress Statement

- The Scottish Government has not yet provided an update to the Social Housing Net Zero Standard resulting in a lack of progress towards this recommendation.

Updates to recommendation for 2026/27:

- Recommendation to, once again, remain the same with progress to begin once the Social Housing Net Zero Standard is confirmed.

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

2025/26 Progress Statement

- As per the recommendation from 2024/25, work is continuing to develop the SIC Estate Decarbonisation Project. This project aims 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. Work

is still underway to develop the Council-wide plan and a rolling programme for implementation.

Updates to recommendation for 2026/27:

- The recommendation remains the same and any relevant actions and workstreams brought into the programme.

6. **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.**

2025/26 Progress Statement

- There has not been any progress of significance made on this recommendation within 2025/26.
- Officers from teams across Environment and Estate operations investigated the potential for carbon capture at the ERP but this has since been paused due to the lack of appropriate and available technologies. This will be reviewed over the next year.

Updates to recommendation for 2026/27:

- Recommendation to continue to work towards it, ensure funding and investment is included in gaining an understanding and developing plans.
- A log of any identified potential projects and funding pots should be created and kept up to date across the Infrastructure service to ensure up to date information is captured and reviews are undertaken at agreed periods.

7. **Adaptation Plan – Continue to move forward with 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.**

2025/26 Progress Statement

- The SIC Climate Change Risk Assessment Project has been established and includes several projects and workstreams focused on adaptation. These initial projects are helping to build an evidence base, experience and frameworks for how a Climate Change Risk Assessment (CCRA) for SIC estate, infrastructure, assets and services, may be undertaken.

Updates to recommendation for 2026/27:

- Recommendation to continue to work towards this and proceed with current workstreams and projects.

Appendices

Appendices

- Appendix A – Progress Report – CCS Action Plan – August 2026
    - These documents are refreshed weekly and can be accessed from the following link: Climate Change Programme Priorities 2026/27
- Appendix B – Emissions Breakdown – Calculated Emissions
- Appendix C – Emissions Breakdown – Data Source
- Appendix D – Emissions Breakdown – Emissions Factors