

Spotlights

Leadership, Governance and Finance

- **Climate Change Programme** – The Programme continues to report quarterly to the SIC Climate Change Board (Corporate Management Team). Reporting to CMT 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** – This was 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 is in the final stages of being approved by Shetland Partnership Management and Leadership Team. The strategy sets out steps to collaboratively accelerate climate action across Shetland's organisations 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 2026.

- **Climate Change Impact Assessments** - The Climate Change Impact Assessments (CCIAs) are up and running with continuous submissions of screenings and full assessments each month. Impact Assessments are now part of the reporting cycle and template where climate change, the environment and net zero must be considered as part of the impacts checklist. There have been 39 CCIA screenings and 23 full CCIAs completed since start up. Climate Change Impacts Training was set up and promoted to help support the process and is available by 1:1 sessions, group team meetings and an interactive training video is live and available on iLearn. This has been advertised across the Council.

Estate

- **SIC Estate Decarbonisation Project** – The project is focused on developing a costed and prioritised plan for transitioning all non-domestic buildings from fossil fuel energy provision to clean energy sources by 2038. This project covers a large range of assets and activities, and the representation on the project board reflects this, as it includes: Finance, Estate and Environment Operations, and Assets, Commissioning and Procurement. Examples of project activities and workstreams are below:
 - **Town Hall Heating Transition** - The application made last year to Scotland's Public Sector Heat Decarbonisation Fund focused on connecting the Town Hall to the district heating scheme was successful. The Town Hall was connected to the district heating scheme in February of 2026, and the building will be closed for three months from 1st July 2026 to allow for further internal upgrades. Works at the Town Hall are expected to be fully completed by 1st October 2026. A further application to the same fund has been made to trial air source heat pumps in three schools. The outcome of the application will be known in August 2026.
 - **Energy Efficiency for Building Managers Training** – Supporting building managers and other building users to further improve energy efficiencies through practical insights for reducing energy waste in heating, water use and appliances. The course is available on iLearn. To date, X people have undertaken the course. There are also efforts underway to create a 'Building Managers Handbook' for staff to further improve building management and energy efficiency.
- **Solar Photovoltaic Trial** - In late 2025 the Climate Change Team was asked to look at the opportunities from, and barriers to, installing solar photo voltaic ("PV") panels to Council buildings. Extensive analysis was carried out on different building types, sizes, locations and energy consumption. Performance data from two existing installations was used to inform that work. Solar PV panels work effectively in Shetland and are cost effective with a payback period of between five and nine years for a system that generates electricity for twenty years or more. A proposal for a trial will be developed (in 2026/27) with funding sought to install solar PV panels at five operational properties.

Housing

- **Knab Redevelopment Project** – Work has commenced on the Knab sites and demolition activities are nearing conclusion. This phase of works will also

include groundworks, provision of the required road accesses, drainage, power, water and sewage to enable future housing contracts. The Phase A housing design work is due to commence in the summer of 2026. The first phase of housing is planned for 27/28 and will be built to PassivHaus standard. The Grade B listed Janet Courtney Hostel conversion is in design stage with the construction contract due to commence in Spring 2027. This project will bring an existing Council asset back into use as it is converted into 19 modern, energy efficient flats. Further information regarding the project can be found at the following link: [The Knab: A thriving space with community at its heart](#)

Transport

- **Public and School Bus Transport Review** – The Full Business Case was report and approved by Shetland Islands Council and ZetTrans in January and February 2026 respectively. The resulting contracts will be in place for five years, starting on Monday 17th August 2026. As part of the FBC, a Climate Change Impact Assessment was carried out. The preferred option supports the Council's and ZetTrans' climate change objectives by maintaining and modestly enhancing public transport provision, thereby supporting modal shift, reducing reliance on private car travel and contributing to reductions in transport-related emissions over time. It represents a proportionate and low-risk approach to improving accessibility while supporting longer-term climate mitigation objectives.
- **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. An Outline Business Case was developed and provides a comprehensive and structured evidence base for the future of Shetland's inter-island transport network, including consideration of ferry-based and fixed link options. The OBC was approved by Shetland Islands Council in June 2026 with commitments to progress with fixed links for connections to Bressay, Whalsay, Yell and Unst, and provide up to £200,000 of funding from existing budgets to progress the project. The draft Implementation Route Map is the next step in the process and will set out a phased 30-year investment programme and high-level cost profile when it is presented to the Council in September 2026.
- **Fair Isle Ferry and Terminal Replacement Project** – The project has continued to progress during 2025/26, entering the delivery phase for both the vessel and terminal infrastructure. The replacement vessel has been

designed to meet IMO Tier III emissions standards and to facilitate the future use of sustainable drop-in biofuels such as biodiesel or HVO. PAS 2080 principles have been applied throughout the project, including consideration of embodied carbon in design and construction.

- **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. In March 2026, the Council approved Phase 2 of this process, which align with the Transport Scotland requirements contained in the Plan for the Strategy and Expansion of the EV Charging Network.

Phase 2 includes:

- developing commercially investible EV charging network that secures affordable clean energy
- network growth that delivers an effective and efficient charging network
- and, is based on lifestyle charging, where the solution fits with current behavioural patterns and facilitates sustainable travel choices.

Infrastructure

- **HVO Trial** – The trial is ongoing and includes both the skip truck and an essaykert (Refuse Collection Vehicle). Thus far, the trial is a success and efforts are now underway to install an HVO tank at the Gremista depot to enable the wider rollout of HVO fuel. It is still anticipated that the entire essaykert fleet will be using HVO fuel by the end of 2026, though delays are possible due to the work needed to install the new tank.
- **Improvement Action Process Trial** – From 2027/28, all UK LAs will be assessed in terms of the effectiveness of the collection and treatment services that they provide for the packaging included in the Extended Producer Responsibility for Packaging (pEPR) scheme. LAs not meeting the minimum effectiveness standards will be required to undergo an Improvement Action Process (IAP). Between July and November of 2025 the SIC's Waste Management Operations Team Leader and Climate Change Strategy officers, worked with WRAP, the appointed consultant, and Pack UK, the scheme administrator, to pilot the proposed IAP. The process was successful and identified areas for improvement and highlighted areas where best practice is already in place.

Land

- **SIC Pilot Peatland Project** – The working group established in 2025 continues to meet regularly and discuss options. The group includes SIC officers and relevant external stakeholders, and aims to establish a pilot project to gain further understanding around barriers to undertaking peatland restoration on council owned land, including legal and financial frameworks. After sending a letter to crofting tenants inviting expressions of interest in undertaking a peatland restoration project, the working group has since been collaborating with members of a common grazings committee with the aim of bringing forward a project. A Business Case was developed by SIC officers seeking approval to release internal SIC funds to support a project, however this was accepted for submission to Councillors due to the lack of appropriate funding sources. The group are now working to source external funding to support the project.
- **Shetland Peatland Partnership** – The council continues to engage with the Shetland Peatland Partnership to forward acceleration of peatland restoration. The SIC's Executive Manager for Climate Change and Future Energy, Claire Ferguson, is currently Chair of the Partnership. Efforts have been made within the Peatland Partnership to secure funding to expand engagement activities across Shetland
- **Shetland Tree and Woodland Strategy** – This new Strategy remains in draft form though this is due to be taken to Committee for approval in the autumn of 2026.

Engagement and Communications

- **Shetland Climate Festival** – The fourth annual Shetland Climate Festival was held on the 13th September 2025 in the Clickimin Bowls Hall. The event date was changed from June to September in response to feedback from exhibitors. It was attended by almost 400 members of the public, which was an increase of 11% on the previous year. The festival included an exhibition hall, workshops and KidsZone, with dedicated area for the Highlands and Islands Climate Hub Community Space. The event was kindly sponsored by ESB, developers of Stoura Wind Farm. Further event details can be found in the programme at the following link: [Shetland Climate Festival 2025](#). The 2026 Shetland Climate Festival will be held on the 5th September 2026, and the full details for that event are available online at the following link: [Shetland Climate Festival 2026](#).
- **Climate Yarns** – The Climate Change Communications Officer has continued to create videos and other media to better communicate and raise awareness around climate change from a Shetland perspective. Over XX videos have been created to date, all of which can be found at the following link: [Climate](#)

Yarns YouTube Channel. This initiative has continued to be positively received, and the team regularly receive requests from other Council team and external organisations to feature in future content.

- **Schools Roadshow Project** – The Schools Roadshow Project has now completed its second year. The project aims to raise climate change awareness in schools and continue the climate conversation in the community. The 50-minute interactive sessions were delivered to P6-7 and S1 classes including: a presentation, videos, activities, games, workshops, discussions and quiz to schools across Shetland. The session content puts climate change into the local context and we gathered views from young people across Shetland hearing what is important to them in tackling the climate crisis. The creative element produced by pupils for 2026 is a 'X' Tree showing ideas, promises and commitments relating to tackling climate change in Shetland. These will be displayed at the Shetland Climate Festival 2026.
- **Climate Emergency Training** - Climate emergency training is offered to all employees across the Shetland Partnership with online and in-person training sessions available to book throughout the year. This course is bespoke, made to focus on climate change impacts to Shetland and on local policy, while also explaining climate science, global impacts, and relevant policy at a national and international level. Bookings for the course have decreased significantly in 2026 though the reasons for this are not yet fully understood.
 - **Toolbox talks** is a condensed version of the above climate emergency training, which is tailored to suit specific service areas. It was developed to suit non-office-based staff to provide inclusivity of training and encourages staff to devise solutions to GHG mitigation issues within their service or department. Demand for this training has also markedly decreased with no new bookings occurring in 2026.

Adaptation

- **LiDAR Project** – SIC successfully applied for project funding for LiDAR from Scottish Government, with additional capital spend agreed by the Council. We engaged in a successful procurement exercise in late 2025 and a successful provider was engaged in February 2026. The contractors will be collecting data over the summer months and are expected to be provided to the Council in November 2026. The LiDAR data will be essential in informing our Climate Change Risk Assessment, and future adaptation planning and land restoration works.
- **SIC Climate Change Risk Assessment Project** – This project is now fully established and will develop 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, that will be agreed across our services. 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.

- **Sumburgh Airport Adaptation Project** – the Climate Ready Regions funded project focuses on engaging external experts to develop a report listing potential adaptation options for specified sections of the Sumburgh Airport road network and surrounding area. This comprises Phase 1 of this process. Phase 2 is the creation of an adaptation partnership for Shetland. This second phase will begin toward the end of 2026 and will bring together stakeholders from across Shetlands communities, businesses organisations and authorities.

Wider Influence

- **Rural Energy Hub Project** – The Rural Energy Hub intends to tackle 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. The project is fully funded by Innovate UK and 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 will serve 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 Brae Rural Energy Hub CIC has experienced significant delays but is now fully functioning and was 'handed back' to the Brae Youth and Community Centre in July 2026. Further information about the project and its goals can be found at: [Brae Rural Energy Hub | Supporting Shetland to transition to net zero.](#)
- **Brae District Heating Project** – **This project was** fully funded through the Rural Energy Hub Project, and involved a Feasibility Study and Outline Business Case is being developed for a District Heating Scheme in Brae. The project sought to establish the viability of a local heating network and whether this could 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. The project ultimately concluded that a local heat network could operate well as long as it was an 'off-grid' solution as the price of grid sourced electricity would make the project unviable.

- **Shetland Car Club Project** - The Shetland Car Club trial is ongoing and 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 through the Enterprise Car Club App. The 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](#).

- **Shetland Development Charter and Energy Transition Sounding Board –**
 - **Shetland Development Charter** – The Shetland Development Charter is led by Empowering Shetland and sets out the key expectations of investors in Shetland. The Empowering Shetland partnership includes Shetland Islands Council, Highlands and Islands Enterprise, UHI Shetland, Lerwick Port Authority, Shetland Net Zero Energy Forum and Norn Engineering Alliance. The charter builds on from the work previously undertaken as part of the Shetland Energy Strategy, and from the extensive partnership working of the Shetland Energy Development Principles, A Fair Share for Shetland, and Shetland Islands Council's Community Benefit Report.

The central aims of the charter are:

- To ensure Shetland's move to renewable energy is fair for everyone
- To ensure the local community is heard and local needs are considered
- There is joined-up thinking when it comes to developments - to avoid duplication of infrastructure and to protect our environment
- Projects deliver clean, secure and affordable energy
- Projects deliver a legacy for Shetland residents and local industry

- **Energy Transition Sounding Board** – Following on from the establishment of the Energy Transition Task Force (ETTF) and such work as the 'A Fair Share for Shetland' report, a new Energy Transition Sounding Board (ETSB) is being set up, agreed alongside the new Shetland Energy Charter. Previously, 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. The purpose of the ETSB is to establish a strong working relationship between Shetland Islands Council, Empowering Shetland and other relevant organisations to monitor progress of the Shetland Energy Programme.

The role of the Energy Transition Sounding Board is to:

- To provide a forum to discuss and maintain an overview of the implementation and progress of the Shetland Energy Programme;
 - To check that energy developments achieve the correct balance between environmental, economic, social and cultural objectives and are delivered in a fair way for all parts of Shetland;
 - To encourage effective engagement on energy transition across Shetland's communities, with Government agencies, energy developers, academia, and so on.
- **Energy Efficiency Grants Schemes Roll Out** - Area Based Scheme (ABS), Warmer Homes, Home Energy Scotland grants and loans plus Viking Community Benefit grant providing additionality through ABS top up plus additional funding to look at windows and doors. Warm Works is the contracted Managing Agent for the ABS scheme and are running a shop front in the Toll Clock. This brings the ABS into the community which improves engagement and visibility and assists in promoting grants with the added aim of attracting more local installers to undertake grant/loan funded works.
- **Radio Teleswitch Service (RTS) Campaign** - the Council continued to engage with the radio teleswitch Service switch off and updated the Council's website. Phases 1 and 2 of the phased 'switch off' were undertaken in the summer of 2025 with a hiatus over winter. At the start of 2025 there were around 5,000 properties with an RTS meter and by the spring of 2026, when the final phased switch off began, there were approximately 500 properties remaining.
- **Shetland Power Systems Working Group** – the Council has continued to facilitate the quarterly Shetland Power Systems Working Group meetings. The group is made up of stakeholders from across the Shetland energy sector and encourages the open sharing of information between those stakeholders to help achieve a joined-up energy system for Shetland. The meeting receives regular updates from SSEN Transmission and their Shetland Strategy, and from NESO on the Strategic energy planning both through the Regional Energy Strategic Plan and the Strategic Spatial Energy Plan.

- **Ocean Refuel** – SIC are continuing to work with Strathclyde's Centre for Energy 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 includes Sullom Voe Terminal where plans are in place to transition from mid-stream oil and gas supply activity to low carbon fuel production and carbon storage, and there is 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.

Some pieces of published work for further reference:

- Hundreds of Jobs at Risk from Inaction at Sullom Voe Terminal - Strathprints
 - An Early Shift to Low-Carbon Fuel Production at the Sullom Voe Terminal ('SVT') Could Provide the Backbone for a Successful Transition of the Shetland Economy - Strathprints
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- **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'. This followed the announcement by the UK government in July 2025 to opt for reformed national pricing. The Council continues to engage with this as the affordability of electricity in Shetland is a significant issue in the energy transition, impacting both the pace of decarbonisation and the ability to ensure a Just Transition. In March 2026, Ed Miliband, the Secretary of State for Energy Security and Net Zero, announced a package of clean energy measures and plans to trial new ways to deliver discounted power from wind. As Shetland would make an excellent place to trial these the Council wrote a letter highlighting "Choose Shetland".
 - **Net Zero Technology Transition Programme** – Shetland Islands Council have been involved with Net Zero Technology Centre and other partners (including Veri Energy) on various studies exploring major energy hubs. These include Shetland (especially focussed on Sullom Voe Oil Terminal), Grangemouth, and Cromarty Firth. The 18 scopes included within the Energy Hubs studies include micro-grids, storage of future fuels, use of by-products such as heat and oxygen, and increasing efficiencies for energy hubs when producing future fuels. This programme is now concluded and there will be public and private reports for these work-packages.

- **Project Tugbeam** – Shetland Islands Council were indirectly involved with this project that was funded by the sixth round of the Clean Maritime Demonstration Competition. This project included Cranwell University, University College London, Front Technologies, and Altra Solutions. Port of Sullom Voe was used as a case study for modelling tanker and tug operations to find opportunities for improved efficiencies. Materials for the tugboats were also analysed as part of a work-package to improve maintenance cycles and future automation opportunities were also explored. This project is now concluded and Port of Sullom Voe will utilise some of the findings.
- **Islands Centre for Net Zero** – Shetland Islands Council are involved with organisations from Orkney and Outer-Hebrides on various work-packages focussed on joint decarbonisation opportunities. This has been funded by the Islands Growth Deal, which also includes a fund earmarked for Shetland. The Council are currently developing the business case for selecting and developing capital projects to be supported by this fund.