

Audit scope

Renewable energy

The Scottish Government's offshore wind investment programme

AUDITOR GENERAL 

Prepared by Audit Scotland
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Background

Offshore wind means generating electricity from wind turbines located in the sea. It has been described as the biggest economic opportunity for Scotland since oil and gas in the 1970s. Offshore wind is at the heart of the Scottish Government's aim to transform the Scottish economy, by supporting the creation of new jobs and delivering a fair and inclusive transition to a low carbon economy.

To make the most of this opportunity, Scotland needs a domestic supply chain. These are businesses that can manufacture components, supply equipment and provide services to build and operate wind turbines. However, the sector and the Scottish Government recognise that the supply chain in Scotland is not yet ready to fully realise these economic opportunities, including having all the facilities and port infrastructure required.

Developers who were recently successful in obtaining the rights to plan offshore wind projects in Scottish waters (collectively referred to as ScotWind) have already made supply chain investment commitments

in Scotland of around £1.5 billion per project on average (around £30 billion in total).

To grow the supply chain in Scotland, the Scottish Government has made a commitment to invest up to £500 million of public money over a five-year period to 2028/29, which will be delivered through an offshore wind investment programme. The programme is aimed at establishing manufacturing and fabrication capacity in Scotland as well as upgrading port infrastructure to support future supply chain growth and offshore wind deployment.

The Scottish Government has started to provide investment for projects through the programme, in the form of grants and commercial funding. The key delivery partners for the programme are the Scottish National Investment Bank (SNIB), Highlands and Islands Enterprise (HIE) and Scottish Enterprise (SE).

Why this audit is important

The development of the offshore wind supply chain presents a significant economic opportunity and has the potential to contribute

to other government objectives (eg, tackling poverty, achieving a just transition, increasing tax revenues). However, public investment to support private enterprises is inherently risky.

This audit will help to provide assurance to stakeholders and the public that the public money being invested in this programme is being well managed. By carrying out this audit midway through the investment commitment we will be able to make recommendations in a timely way so that any areas for improvement can be addressed.

What this audit will look at

The overall aim of this performance audit is to assess how strong the arrangements for the £500 million public investment to support the growth of the offshore wind supply chain are, to secure value for money. The audit aims to answer the following questions:

- Has the Scottish Government set out a clear rationale and sound approach for the investment?
- Are the arrangements for making investment decisions well-placed to deliver the programme aims?
- Is the programme on track to achieve its aims?

The audit will not examine any activity and investment in policy areas that are reserved to the UK Government, such as grid connectivity or energy pricing. While having enough workers with the right skills is important for supply chain development, the audit will not examine this as workforce development is supported under different funding programmes. The audit will also not examine any of the following issues: issues related to planning and consents; community impacts and wealth generation; biodiversity and marine impacts. However, these issues

may be considered as part of the overall context.

How we will carry out this audit

We will conduct interviews with relevant officers in the Scottish Government, SNIB, HIE and SE as well as representatives from the private sector and other partners. We will review published and unpublished documents and carry out data analysis where relevant.

What we want to happen as a result

The aim of this audit is to provide independent scrutiny of the strategic arrangements in place for the investment programme. The timing will allow the Scottish Government and the key delivery partners (SNIB, HIE and SE) to make changes, if needed, to strengthen those arrangements to secure value for money, for the remainder of the programme. The audit also aims to highlight areas of good practice. We will make recommendations, where necessary, to the Scottish Government, SNIB, HIE and SE.

Timetable

We plan to publish the report on behalf of the Auditor General for Scotland in October 2026.

Following publication, the Auditor General will present our findings to the Scottish Parliament's Public Audit Committee.

Contact

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