

Agenda Item	5
Report No	CCC/02/22

The Highland Council

Committee:	Climate Change Committee
Date:	3 rd November 2022
Report Title:	Net Zero Strategy and Action Plan
Report By:	Executive Chief Officer – Performance & Governance

1. Purpose/Executive Summary

- 1.1 This report provides an update on the development of a Net Zero Strategy and Action Plan for The Highland Council.

2. Recommendations

- 2.1 Members are asked to:
- I. Note progress to date, and to agree that action plans detailing workstreams for each thematic group will be presented to the Climate Change Committee as part of Net Zero strategy workshops.
 - II. Acknowledge that all employees and Elected Members will have a role to play in delivering Net Zero and that significant resources from across the organisation will be required to develop and deliver a Net Zero Strategy and Action Plan for The Highland Council.
 - III. Note additional resource is now in place within the Climate Change & Energy Team to facilitate the accelerated effort of the Net Zero thematic groups.
 - IV. Note workstreams to be prioritised over the coming months.

3. Implications

- 3.1 Resource – the function of the Net Zero Strategy Group and thematic groups requires significant staff time across all services. All employees and Elected Members will have a role to play in delivering Net Zero.

The financial implications in reaching carbon emission reduction targets are significant and will need to be addressed and identified for the organisation. All councils need to invest millions in infrastructure, the decarbonisation of fleet, heat technology and buildings as well as help with skills and project development. Any failure to invest now will result in the Council facing far greater additional costs in the future. Many of the interventions required to reach net zero will have positive financial benefits for the Council, and there remains significant potential to lever

additional public and private finance into the region to help meet our targets, particularly if a robust, evidence-based strategy can be drafted and approved.

- 3.2 Legal – the Council has several requirements in respect of reporting against its climate change obligations, in addition to being required to directly support Scotland’s target to end its contribution to climate change no later than 2045.
- 3.3 Community (Equality, Poverty and Rural) - the commitment to net zero and a Just Transition will require the creation of opportunities to develop resource efficient and sustainable economic approaches, which help address inequality and poverty.
- 3.4 Climate Change/Carbon CLEVER – combatting climate change is one of the most complex challenges facing the public sector. The development of an evidence-based Net Zero Strategy and a deliverable Action Plan will be essential in understanding the Council’s pathway to net zero.
- 3.5 Risk – Failure to proactively address the climate and ecological emergency across all service delivery carries significant reputational risk, particularly considering the political ambition at both local and national level around the climate change agenda. In addition, failure to take a proactive approach to climate change action will necessarily limit opportunities to secure external funding.
- 3.6 Gaelic – There are no Gaelic implications arising from this report.

4. Background

- 4.1 There is a legally binding international treaty on climate change in place, which was adopted by 196 Parties (including the UK) at the United Nations (UN)’s Climate Change Conference, COP 21, in Paris in 2015. This is known as The Paris Agreement and entered into force in November 2016. Its goal is to limit global warming to well below 2°C, preferably to 1.5°C, compared to pre-industrial levels.
- 4.2 While the Paris Agreement sets a global objective, action to achieve that objective is driven at national level.

The Climate Change (Scotland) Act 2009 and the subsequent Climate Change (Emissions Reductions Targets) (Scotland) Act 2019 (“the Act”) introduced binding targets and legislation to reduce Scotland’s greenhouse gases emissions to net-zero by 2045 at the latest with the following interim reduction targets:

- 75% below the baseline by 2030
- 90% below the baseline by 2040

- 4.3 The term net zero means achieving an overall balance between greenhouse gas emissions produced and emissions taken out of the atmosphere. This balance – or net zero – will happen when the emissions we add to the atmosphere is no more than the amount removed.

To reach net zero, emissions relating to fleet, waste and energy use across our estate will need to be reduced (which will reduce the emissions put into the atmosphere). However, in some areas, it will be too complex to cut emissions altogether.

These 'residual' emissions will need to be removed from the atmosphere: either by changing how we use our land so it can absorb more carbon dioxide, or by being extracted directly through technologies known as carbon capture, usage, and storage.

Scottish Government has stated that public bodies should prioritise reducing emissions over using emission offsets (such as through tree planting); ultimately offsets should only be used for areas where emissions are not avoidable due to a lack of technical alternatives.

5. Developing the Council's approach to Net Zero

5.1 At the meeting of The Highland Council on 9th December 2021, it was agreed that a cross service collaborative approach is essential if progress is to be made to move the Council forward in terms of net zero. Members agreed [\(item 10\)](#):

- The Council establish a Net Zero Strategy Group comprising officers working across council services to lead on the development of a net zero strategy and action plan for the Council.
- Workstreams will be taken forward in thematic groups with each thematic team developing the evidence base within their respective domains to enable the drafting of the relevant section of the overall strategy. Each thematic team will nominate a representative to sit on the Strategy group thus ensuring a two-way flow of information.
- A programme management approach will be taken with the high-level programme overseen by the Council and the detail of individual thematic workstreams reported to the Climate Change Working Group.

5.2 At the meeting of The Highland Council on 9th June 2022 [\(item 3a\)](#), it was agreed to establish a Climate Change Committee. This was in recognition of the strategic significance of the climate and ecological emergency at Highland, national and international levels.

At the meeting of The Highland Council on 22nd September 2022 [\(item 18\)](#), Terms of Reference were agreed setting out the scope and functions and activities for the Climate Change Committee. This includes oversight on the Net Zero Strategy, Action Plan and Programme, including setting and scrutiny of performance targets.

6. Data – emissions baseline

- 6.1 Work is underway to develop a revised emissions baseline for The Highland Council. This is the subject of a separate report to this Committee.
- 6.2 To ensure and continually monitor compliance with Scottish targets, public bodies are required to submit annual Climate Change Reports – PBCCD (Public Bodies Climate Change Duties)).

The Climate Change & Energy Team is currently compiling the Council's report for the 2021/22 period which must be submitted by 30th November 2022. This will be brought back to the next Climate Change Committee for scrutiny.

- 6.3 Previously, reporting has focused largely on Scope 1 direct operational emissions arising from sources owned or controlled by the Council e.g., emissions from boilers and fleet vehicles and Scope 2 indirect emissions from the generation of purchased energy used by the Council e.g., the Council has control over the use of this energy, but the emissions generated from its production are created elsewhere.
- 6.4 From 1st April 2021, public bodies are required to report in their PBCCD Annual Report, where applicable, targets for their indirect emissions. This covers Scope 2 emissions from purchased electricity and heat and all other indirect Scope 3 emissions in the organisation's value chain.
- 6.5 Carbon emissions that relate to goods and services procured by councils are classed as Scope 3 emissions. Most organisations do not yet have comprehensive data on the carbon emissions arising from their procurement categories; however, it is estimated that approximately 80% of Highland Council's carbon footprint relate to Scope 3 emissions.

The Shared Procurement Service is in the process of commissioning a supply chain and carbon analysis consultancy. Artificial intelligence software will be used to undertake a full analysis of supply chain emissions at a granular level and to identify carbon 'hotspots' for Highland Council, Aberdeen City Council and Aberdeenshire Council. This will help the three local authorities to focus effort to deliver the most positive outcomes including working in collaboration with prioritised suppliers and contractors to identify how emissions could be reduced.

7. Thematic Groups

- 7.1 The table below provides an overview of thematic group leads and workstreams for each thematic group:

Thematic Groups	Service Lead & support from Climate Change & Energy Team (CCET)	Workstreams
Built Estate & Energy	Head of Property & Facilities Management CCET: Energy Manager	Energy efficiency of estate – Strategy for reducing energy consumption. Rationalisation (cuts across behaviour change). Strategy implementation low carbon heat. On site Renewable Generation.
Social Housing/HRA estate	Head of Housing & Building Maintenance CCET: Project Manager (Energy Efficient Scotland: Area Based Scheme) –	Energy Efficiency – Fabric First. Carbon reduction high level route map. Asset Monitoring – Utilising smart control. Strategy implementation low carbon heat.
Fleet & Staff Travel	Head of Operations & Logistics, C&P CCET: Climate Change Coordinator (Transport)	Strategy for decarbonising fleet. Strategy for developing infrastructure. Fleet Rationalisation. Strategy for removal of grey fleet.
Waste & Circular Economy	Strategic Lead for Waste Strategy & Operations CCET: Climate Change Coordinator (to be confirmed)	Strategic reduction of internal waste. Develop a vision for Circular economy. Strategy to reduce food waste throughout public sector buildings and services.

Procurement & Community Wealth Building	<p>Strategic Procurement Manager</p> <p>CCET: Climate Change Coordinator (to be confirmed)</p>	<p>Strategy for sustainable procurement.</p> <p>High level understanding of greenhouse gases from supply chain.</p> <p>Identify and educate on key carbon hotspots linked to procurement.</p> <p>Assessment of spend categories in capital projects considering carbon in design.</p>
Planning, Land Use & Environment	<p>Service Lead Environment Development & Active Travel</p> <p>CCET: Climate Change Coordinator (to be confirmed)</p>	<p>Strategy for offsetting and natural sequestration.</p> <p>Strategy dealing with effects of climate change. (Adaptation)</p> <p>The Development Plan.</p> <p>Transport strategy.</p>
Capital Programme & Net Zero Funding	<p>ECO Environment & Economy</p> <p>CCET: Salix Fund Manager</p>	<p>Development of process to align capital programme with net zero strategy.</p> <p>Identify and develop funding streams to align with net zero strategy.</p> <p>Develop investment strategies that unlocks the net zero opportunity.</p>

7.2 Action Plans have been drafted by many of the thematic groups and others are underway. The Plans and workstreams will be developed further over the next quarter. Action Plans for each thematic group will be presented for discussion by the Climate Change Committee as part of the proposed net zero strategy workshops (Agenda Item 6).

8. Resource

- 8.1 Efforts have been made across Services to commit resource to the thematic groups going forward. However, it is recognised that a more focused commitment will be required going forward.
- 8.2 The Climate Change & Energy Team has added some significant additional resource to facilitate the work of the thematic groups and Net Zero Strategy Group. Recruitment has been a major focus over the last quarter. The Climate Change & Energy Team Manager position has now been appointed on a permanent basis and a successful recruitment campaign resulted in over 80 applications submitted in respect of positions advertised in the Climate Change & Energy Team.
- 8.3 Five additional Climate Change Coordinators will start with the team on 1st November 2022. These posts have been approved on a two-year fixed term basis with funding from the Recovery & Transformation Programme. The coordinators will play a key role in supporting the development and delivery of a Net Zero Strategy and Action Plan for the Council whilst taking a lead in one of the following workstreams:

Communications & Engagement Developing effective communications, engagement and behaviour change to embed climate action in service delivery and operations across the Council.

Literacy & Training Developing and delivering a widespread programme of events on climate science and solutions to develop carbon literacy amongst council employees and Members.

Analyst Leading on the creation and delivery of robust, accurate and fit for purpose carbon emissions inventory for The Highland Council. Defining data requirements, modelling, analysis, monitoring, and reporting to inform stakeholder engagement and to advise and guide strategic decision making to facilitate the delivery of our net zero target.

Policy & Governance Supporting the production of effective policies to assist in the governance of the Net Zero Strategy and ensure climate considerations are embedded into Council practices and decision-making processes.

Adaptation Leading on providing support on climate change mitigation. Assisting behavioural change through adaptation and sustainability projects.

9. Forward look

9.1 The following workstreams will be prioritised over the coming months:

- I. Build the empirical data which will direct the evidence-based approach in the development and delivery of a defined route map to net zero. This data will allow the Council to target carbon releases in a structured way to reduce emissions year on year leading to net zero.
- II. The development of the Net Zero Strategy and Action Plan involves significant commitment from staff across all Services. Based on the committed resource available in each thematic group, resource is now in place to accelerate the strategic development. It is proposed each thematic group will meet on a fortnightly basis to expedite progress.
- III. One of the biggest challenges in achieving net zero emissions is the general lack of awareness of the impact of service delivery on corporate emissions. A phased programme of climate literacy training will be developed and rolled out throughout 2023 to ensure staff and Members have knowledge and understanding on climate change; and where necessary, are upskilled to support actions.
- IV. It is vital that consideration of carbon impacts form part of every decision the Council makes. Guidance will be developed for Officers to strengthen the inclusion of climate considerations in a range of documents including policies, strategies, committee reports and funding bids. More robust guidance will be developed to provide Members a firmer basis on which to scrutinise and question specific approaches being proposed.
- V. As outlined in the Workshop Programming report also being considered at this Committee, it is proposed that a series of workshops are scheduled in the new year to provide Members with an in-depth knowledge of the work being developed across each thematic group. Members will also be briefed on the challenges and complexities of delivering net zero within each thematic strand. Developing this level of understanding will enable the committee, at pace, to scrutinise the work as a complete body of work providing constructive input into the delivery of the action plan, key performance milestones and in delivering a realistic pathway to net zero.

Designation: Executive Chief Officer – Performance & Governance

Date: 20th October 2022

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