

Agenda Item	<b>13</b>
Report No	<b>CCC/10/22</b>

## THE HIGHLAND COUNCIL

**Committee:** Climate Change Committee

**Date:** 3<sup>rd</sup> November 2022

**Report Title:** Climate Change (Duties of Public Bodies; Reporting)

**Report By:** Executive Chief Officer – Performance & Governance

### 1. Purpose/Executive Summary

1.1 This report provides an update in reporting Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Amendment Order 2020.

### 2. Recommendations

- 2.1 Members are asked to:
- i. Note the changes in reporting Climate Change (Duties of Public Bodies; Reporting).
  - ii. Note the requirement to report a 'zero emission' target on direct emissions.
  - iii. Acknowledge the proposed place holder submission on scope 3 emissions until a full baseline exercise has been completed.
  - iv. Acknowledge the need for alignment of spend with targeted emission reductions.
  - v. Note the requirement for a Council adaptation strategy aligned with the Climate Change reporting.
  - vi. Note the opportunity to use the reporting as a toolkit for the Council's wider delivery of net zero.

### 3. Implications

- 3.1 Resource – The development and adoption of a detailed reporting system will require staff time across all services. All Council officers and members will have a role in its adoption.
- 3.2 Legal – Public sector bodies are legally required to reduce greenhouse gas emissions and support Scotland's adaptation to a changing climate. They are also legally required to report annually on their greenhouse gas emissions and what they are doing to help adapt to a changing climate.

- 3.3 Community (Equality, Poverty and Rural) – the commitment to a Just Transition will form a major consideration in forming the evidence-based approach to our reporting.
- 3.4 Climate Change/Carbon Clever – Consistency and clarity in the reporting of our carbon reductions will provide the evidence base for the delivery of the climate change strategy and delivery plan.
- 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 All public bodies listed in Schedule 1 of the ‘Climate Change (Duties of Public Bodies; Reporting requirements) (Scotland) Order 2015’ as amended by the Climate Change (Duties of Public Bodies; Reporting Requirements) (Scotland) Amendment Order 2020, are required to report annually on compliance with climate change duties established under S44 of the Climate Change (Scotland) Act 2009 and in accordance with Schedule 2 of the 2015 Order.
- 4.2 In response to the global climate emergency and Scotland’s net zero by 2045 target and following [public consultation](#) in 2019, the 2020 Amendment Order set out additional annual reporting requirements with effect for reporting periods commencing on or after 1st April 2021.
- 4.3 This paper is set out to provide understanding of the changes made to the statutory reporting template, set out in the SSN Guidance on Public Bodies Climate Change Duties Annual Report. This paper specifically focuses new Reporting requirements.

#### **5. Emissions Targets:**

- 5.1 Key Targets for reporting on are:
  - i. The Highland Council’s target date for achieving **zero direct emissions** of greenhouse gasses.
  - ii. The Highland Council’s target for reducing indirect emissions.
- 5.2 Reporting is completed utilising the five principles of the GHG (Greenhouse gas) protocol to ensure a consistent approach is adopted for corporate emissions and reporting and for building an effective carbon management strategy these are:
  - i. Relevance - Ensure the emissions being reported appropriately reflect the GHG emissions of the Council delivering a reporting boundary which serves the decision-making needs of users – both internal and external.

- ii. Completeness – Account for and report on all GHG emission sources and activities within agreed boundaries exclusions and emissions should be explained.
- iii. Consistency - Use consistent methodologies to allow for meaningful comparisons of emissions over time. Any changes to the data within a reporting phase should be documented transparently.
- iv. Transparency – issues should be addressed in a factual and coherent manner; assumptions should be referenced. All accounting and calculation methods should be referenced appropriately ensuring based on a clear audit trail of all data sources.
- v. Accuracy – Ensure integrity within the reported information to enable users to make decisions with reasonable assurance that the data represents an evidence base which is neither over nor under actual emissions.

## **6. Baseline**

- 6.1 Emissions require an accurate baseline as a point of reference to ensure consistency within the annual carbon footprint/ management reporting. While the Council has adopted a consistent approach to this, with historical emissions to date all measured against 2015/16. The introduction of more detailed requirements around scope 3 emissions have highlighted a deficiency in previous reporting.
- 6.2 Work is currently underway in conjunction with both Aberdeen City and Aberdeenshire to adopt a standardised toolkit which will allow both the reporting and management of total corporate emissions to be reported in a more detailed and consistent manner.
- 6.3 The adoption of a standardised approach will require a re-set of our baseline figures. This will not be completed before this year's reporting. Having consulted with other public bodies in the area there is a consensus that a holding figure is reported at this stage along with a detailed proposal of the steps being taken to ensure greater accuracy is achieved going forward.

## **7. Explaining Corporate Emissions:**

- 7.1 Corporate emissions arise from the operation and use of organisational assets and from staff activities. They are reported as tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) and are categorised as scope 1, 2 or 3 depending on the nature of the asset/activity.
- 7.2 Scope 1 (Direct emissions): Activities owned or controlled by the Council, e.g., fuel use for heating and fleet vehicles; fugitive emissions from the use of refrigerant gases for cooling including air conditioning units; other process related emissions, including medical gases, emissions associated with wastewater treatment and agricultural activities.

- 7.3 Scope 2 (Energy indirect): Emissions associated with the consumption of purchased electricity, heat, steam, and cooling.
- 7.4 Scope 3 (Other indirect): Emissions arising from the procurement of goods and services from a third party/contractor. Examples include business travel in staff cars, waste, water use and procured goods or services. All electricity consumption from the UK grid has associated Scope 3 emissions arising from transmission and distribution losses.

## **8. Alignment of Spend and Resources**

- 8.1 The Council must understand the climate impacts of their decisions through the use of resource, financial expenditure, and budgetary planning. Embedding a whole life approach with consideration given to a circular economy approach in capital investment will ensure the most sustainable options are selected.
- 8.2 Other considerations in ensuring alignment with our carbon reduction targets include:
- Policy change: to ensure climate change consideration is a contributing factor in risk management, internal auditing, procurement process and service wide KPIs;
  - Monitoring Systems: incorporation of effective means of tracking spend/resource management against targets. Ensuring check and balances are in place to track how targets have affected the decision-making process;
  - Carbon Budgeting: development of service level budgeting to assist initially in driving awareness across the council with budgets based on historic emissions. These can be reduced over time to bring services into alignment with the Council's reported reduction targets. Services can be challenged to use available resources to meet targets. Demonstrating proven sustainability in any new request for resource or capital spend.

## **9. Publishing Progress on Meeting Targets**

- 9.1 Reporting on progress provides an important toolkit for use both internally and externally in developing our pathway to net zero. Improving governance through the adoption of a robust validation process will help to avoid inaccuracies and inconsistencies which can result in both legal challenge and reputational damage.
- 9.2 Reporting will drive continuous improvement through the demonstration and sharing of good practice. It will consolidate a wide range of reporting currently taking place across the Council improving consistency and clarity; align the Council's reporting with the national agenda improving the opportunity for accessing better targeted support provided by Scottish Government; and help to inform better policy development in aligning operations with the climate agenda.

## **10. Delivery and Contribution to Adaptation Programme Outcomes**

- 10.1 The Council has a duty to help deliver the [Scottish Climate Change Adaption Programme](#). Progress has been made regionally through The Council's partnership in [Highland Adapts](#). While this will continue as an important delivery mechanism in the Highlands there is a need for a much greater focus internally.
- 10.2 Highland Council has a key role in building climate resilience. The Council has a statutory duty to the current National programme. Through the development of a long-term adaptation strategy to deliver a climate ready vision, defining adaptation outcomes which can be aligned to all programmes of work across the Council to ensure an effective adaptation response.
- 10.3 A Region wide adaptation risk assessment is about to be commissioned by Highland Adapts and its findings will help shape the Highland Council's Adaptation strategy.

**Designation:** Executive Chief Officer – Performance & Governance

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