

Agenda Item	7.
Report No	CCC/15/24

The Highland Council

Committee: Climate Change

Date: 28 August 2024

Report Title: Highland Adapts Progress Report

Report By: Assistant Chief Executive - Place

1 Purpose/Executive Summary

- 1.1 This report is to provide an update on the Highland Adapts partnership, which delivers a place-based partnership approach to climate change adaptation. The update includes activities achieved to date as well as planned works for the future.

2 Recommendations

- 2.1 Members are asked to **note** the report and activities achieved by Highland Adapts to date, as well as the future work schedule as detailed in sections 6 and 7.

3 Implications

- 3.1 **Resource** – A funding commitment of £45k over 3 years was agreed by the Council in December 2019 to support the recruitment of a Principal Project Manager to lead the Highland Adapts initiative.

The Council is a member of the Highland Adapts Board. The terms the partnership is working to are laid out in Terms of Reference. This includes a commitment for partners to provide annual funding for delivery, where possible. It is anticipated that a formal request for future funding from Highland Council will be submitted imminently.

- 3.2 **Legal** - The Climate Change (Scotland) Act 2009 places a legal duty on the Council to adapt to the impacts of climate change. Taking a place-based, partnership approach ensures that the key cross-cutting risks of climate change are identified and addressed, thereby helping to protect service delivery.

- 3.3 **Risk** - There are financial and reputation risks relating to this report from the Council in not taking sufficient action to prepare for changes due to climate change impacts. The increasing public awareness of the issues around the climate and ecological emergency, as well as the increasing frequency of extreme weather events support these risks.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – There are no Health and Safety implications arising directly from this report; however, inaction may lead to health and safety implications in the future due to the impacts of climate change affecting plant, process and people.
- 3.5 **Gaelic** - There are no Gaelic implications arising from this report.

4 Impacts

- 4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children’s Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.
- 4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.
- 4.3 This is an update report and therefore an impact assessment is not required.

5 Background Context to Highland Adapts

- 5.1 Scotland’s climate is already changing. There is a long-term trend of warming temperatures, shifting rainfall patterns and rising sea levels. Climate change is also already impacting Highland. This includes changes in the frequency and severity of storms, dry periods, extreme temperatures, and intense rainfall events. This will lead to more frequent flooding, wildfires, and landslips. The impact of which has proved hugely challenging in recent years. These changes will intensify in the coming years, impacting people, infrastructure, services, and the natural environment.
- 5.2 The impacts of climate change affect everyone, with consequences for our economy, society, and natural environment. No one organisation, business or community can adapt to these impacts alone, since many risks are inter-related – for example, what transport operators do, has an impact on the resilience of our healthcare system and the ability to deliver lifeline services.
- 5.3 Climate change adaptation, climate readiness, and climate-proofing all refer to the process of making adjustments in response to or in preparation for climate-related impacts, which in turn leads to climate resilience. This includes managing climate-related risks and taking advantage of climate-related opportunities.
- 5.4 In 2018, the Climate Change team sought outline support from the Community Planning Partnership (CPP) to apply for funding from Adaptation Scotland for assistance in the development of a Highland-wide approach to climate change adaptation, which was secured. A project proposal was submitted to Adaptation Scotland by The Highland Council on behalf of the CPP.

The funding bid was ultimately unsuccessful, as Adaptation Scotland believed that a longer time frame and additional resources would be required to deliver on the vision set out in the application. This led to Adaptation Scotland supporting the Highland Council to develop the outline of what a region-based, partnership approach to adaptation might look like and engage with various potential partners.

- 5.5 From early discussions with interested stakeholders there was certainly appetite for taking a region-wide approach to adaptation, particularly given the various challenges presented in a region of this size as well as its largely remote rural population. It was also recognised that there are multiple benefits (social, economic, financial and environmental) which are likely to flow from such an approach.
- 5.6 A funding commitment of £45k from the Change Fund over 3 years was agreed by the Council in December 2019 to support the recruitment of a Principal Project Manager to lead the Highland Adapts initiative. Following on from this funding commitment, an additional £135k was committed by partners to enable this recruitment to take place.
- 5.7 Highland Adapts was established in 2021 with the Principal Project Manager starting in post in May 2021. The partnership is equally governed by nine founding partner organisations: The Highland Council, Highlands and Islands Enterprise, Zero Waste Scotland, Sniffer/Adaptation Scotland, NatureScot, Forestry and Land Scotland, The Highlands and Islands Climate Hub, Changeworks, and NHS Highland. Highland Adapts' wider network extends throughout the region and to key partners in greater Scotland and abroad. Highland Adapts' mission is to bring communities, businesses, land managers, and the public sector together to facilitate transformational action towards a prosperous, climate-ready Highland.

6 Highland Adapts – Original Brief

- 6.1 The original focus of the partnership was to enable Highland to adapt to the unavoidable impacts of climate change. Highland Adapts would bring organisations, businesses and communities together to develop a shared vision and understanding of climate change risks and opportunities across the Highland region. It would identify adaptation and mitigation priorities for communities, areas and sectors that will establish where (both spatially and thematically) and how the region can increase resilience and adapt.
- 6.2 The Highland Adapts initiative was intended to pioneer a fair, inclusive and integrated approach to adapting to climate change. The initiative would seek to involve communities in all aspects of its work recognising there is no 'one size fits all' approach to adapting to climate change. The initiative would also work proactively to ensure that disadvantaged and underrepresented groups are involved and benefit equally from action to adapt.
- 6.3 The outline operational plan for Highland Adapts was comprised of three work packages, to be completed over the first three years of the initiative:-

1. Governance and leadership - Governance arrangements for the Highland Adapts initiative would be further developed and finalised during the first six months of operation. This was to include establishing a programme board and scoping options for community involvement which could include setting up a Highland-wide network of adaptation champions. A Memorandum of Understanding was to be developed into a more formal partnership agreement.

2. Understanding the challenge - A risk and opportunity assessment was required in order to identify the climate risks and opportunities that will affect the Highlands up to the end of the century and highlight areas where action is needed in the next five years to prepare the ground for these changes, from both an infrastructure and built environment perspective as well as capacity building for change. The assessment must identify Highland-wide risks and also take account of the variation in risks and opportunities across different communities, places and landscapes.

3. Planning and implementation - The main planning and implementation phase of the Highland Adapts initiative would take place following completion of the risk and opportunity assessment. The governance established to run the Highland Adapts initiative and the engagement process used to develop the risk and opportunity assessment would build understanding, trust and a shared vision and sense of urgency among partners. The planning and implementation phase was to build on this work and would identify priority actions that multiple partners were able to commit to. This phase was likely to involve developing a regional adaptation strategy and action plan to be agreed by Highland Adapts partners at a later stage.

7 Highland Adapts Update – Key Activities 2021-24

- 7.1 *The First Highland Climate Risk and Opportunity Assessment:* The UK Government publishes a Climate Change Risk Assessment (CCRA) every five years. The Highland Climate Risk and Opportunity Assessment builds on the UK-wide assessment for the Highland region's specific context. The first reports from the assessment, which cover the economic costs of climate change to the Highland region, will be published this month. Highland Adapts aims to publish the remainder of the assessment this year. Additional information is available as **Appendix 1**.
- 7.2 *Economic Analysis of Climate Change Impacts on Highland:* Highland Adapts commissioned Paul Watkiss Associates to develop an economic component of the wider Highland Climate Risk and Opportunity Assessment. This includes a regional report, which summarises current and future economic costs and benefits of climate change for the Highland region, and individual reports on three key sectors of the Highland economy: energy, food and drink, and forestry and timber. The key findings from the assessment (published August 2024) are included as **Appendix 2**. The full economic analysis reports include initial sets of adaptation actions which can be taken by key stakeholders, including, in some cases, the Highland Council and Highland Adapts.
- 7.3 *Core Activities:* Highland Adapts' work includes convening thematic groups to promote knowledge exchange about climate resilience and organising key information about climate risks and opportunities. For example, this has included:-
- 7.3.1 *Highland Public Sector Adaptation Gatherings:* These gatherings are an informal opportunity for public sector organisations to share experiences, learnings, and challenges related to their adaptation work, while strengthening connections and collaborations across the Highland region. The Gatherings have featured presentations from the Highland Council, Forestry and Land Scotland, Transport Scotland, Highlands and Islands Airports, and NatureScot.

- 7.3.2 Highland Adapts Community Climate Advocates: The Community Climate Advocates connects a network of community climate action across the region, ensuring climate change adaptation is embedded in all community action in Highland in a consistent and integrated way. This group developed the first Highland Climate Charter.
- 7.3.3 Highland Charter for Climate, Nature, and Health: In 2024, Highland Adapts, alongside the Highland Environment Forum, Highlands and Islands Climate Hub, and Highland Green Health Partnership, relaunched the charter with an expanded focus and even more ambitious aims. [The Highland Charter for Climate, Nature, and Health](#) is a pledge to put climate, nature, and the benefits of green and blue health at the centre of decision-making and action, so that the natural environment and people have improved health, wellbeing, and resilience. It builds upon the previous Highland Climate Charter by bringing together three elements that are essential for the wellbeing of the planet and people.
- 7.3.4 Highland Adapts provide progress updates to the Highland Community Planning Partnership Board every six months.

8 Highland Adapts – Next Steps

- 8.1 *Scottish National Adaptation Plan (2024-2029)*: The Scottish Government will publish the third Scottish National Adaptation Plan (SNAP3) this Autumn. Place-based collaboration is a key objective of the [Draft SNAP3](#), which includes that “Scottish Government will work in partnership with local government and a broad range of others to facilitate mature regional adaptation partnerships and collaborations covering all regions in Scotland by 2029.” Through the Highland Adapts’ partnership, the Highland region is nationally recognised as a leader in this work. Highland Adapts will continue to develop its partnership model and support partnerships developing elsewhere in Scotland.
- 8.2 *Business Development and Future Legal Framework*: Highland Adapts has secured a £39,840 grant from Scottish Government to support the partnerships long-term longevity and success. This work will look to remove reliance from public sector annual funding cycles, creating a more secure and sustainable funding model for the future Highland Adapts model : (1) Developing a more robust business plan and income strategy, including a plan for engagement with the business community for private sector funding; and (2) Identifying and outline preferred options for a legal structure that facilitates better collaboration and resource allocation, including a transition plan starting in 2025-2026.
- 8.3 *Highland Adapts Phase 2: Identifying, Prioritising, and Catalysing Pilot Climate Resilience Projects*: After three years of project activity, Highland Adapts is well-positioned to enter its second phase of work. As detailed above, the partnership has developed a strong network and evidence base for climate resilience collaboration in Highland. After the publication of the Highland Climate Risk & Opportunity Assessment and supported by a robust business model and legal framework, Highland Adapts will move towards supporting action within directly within Highland communities. This will include identifying and catalysing the first round of priority community-focused projects.

8.4 *Highland Community Planning Partnership: At the meeting of the Community Planning Partnership (CPP) Board on 1 March 2024, the Board agreed:-*

- i) to consider climate-related risks and opportunities when developing Community Partnership Plans and other plans and strategies related to delivering Highland Outcome Improvement Plan core outcomes;
- ii) to contribute to the Highland Climate Risk and Opportunity Assessment, which would be a valuable resource for the Highland CPP's work to reduce climate-related inequalities across Highland; and
- iii) in relation to i) above, that consideration be given to the preparation of a checklist to assist partners.

Highland Adapts will support the Highland CPP in terms of the above activities.

9 Governance and Future Funding

9.1 The Highland Adapts Board leads on long-term planning and ensures the initiative remains true to the aim and guiding principles. The Board is the strategic decision-making body, provides the general direction and support, takes on the legal and financial responsibilities and monitors' progress.

9.2 The Highland Council hosted Highland Adapts' budget and staff from its inception until April 2024. Sniffer (a sustainability charity based on Edinburgh which operates the Adaptation Scotland programme and is a Highland Adapts founding partner) has now taken on the enabling function for Highland Adapts for a limited time (approximately 18 months).

9.3 The Highland Adapts Board approved revised Terms of Reference (ToR) in September 2023. The ToR states:-

- The Enabler Function is provided by one of the Highland Adapts' members. The Enabler Function acts on behalf of all members to pool resources and enable delivery of agreed activities.
- The Enabler Function is appointed by the Board for an agreed time interval. In April 2023, the Board nominated Sniffer as the new Enabler Function.
- The Enabler Function will propose and deliver an annual work programme aligned with the responsibilities outlined in the ToR and the priorities for delivering a climate risk and opportunity assessment for the Highland and locally led adaptation plans and actions.
- To ensure the financial sustainability of the Highland Adapts, the Board will seek to cover the Initiative's costs through financial contributions from Members. Wherever possible these contributions shall be minimised through attracting external funding in line with the work programme agreed by the Board.
- Memorandums of Understanding will be implemented between the Enabler Function and other Members to agree individual funding contributions for each financial year.

9.4 Highland Council remains a key part of the board/governance structure with the Board governing the partnership with equal powers.

9.5 It is anticipated that a formal request for funding for 2024/2025 as set out in the Terms of Reference will be submitted to the Highland Council. This will be formally considered at the appropriate time.

Designation: Assistant Chief Executive - Place

Date: 27 July 2024

Author: Claire Weaver, Climate Change Coordinator (Adaptation)
Harper Loonsk, Climate Resilience Manager, Highland Adapts

Background Papers: Highland Adapts – A Place-based Approach to Climate Change Adaptation – January [2022](#)
Highland Adapts – A Place-based Approach to Climate Change Adaptation – April [2021](#)
Resourcing the Climate & Ecological Emergency [Report](#)
Initial Resource Requirements Discussion Paper [2019](#)

Appendices: Appendix 1 – Additional Information on Highland Climate Risk and Opportunity Assessment (Wider Assessment)

Appendix 2 – Key Findings of Paul Watkiss Associates
Economic Analysis of Climate Change Impacts on Highland Region

Appendix 1

Additional Information on Highland Climate Risk & Opportunity Assessment (Wider Assessment)

- 1.1. The Highland Climate Risk & Opportunity Assessment's key outcomes include:-
- a) Identifying risks and opportunities from climate change to Highland's society, economy, and environment between now and 2080;
 - b) Empowering decision-makers at all levels with the key climate data and science needed to understand local impacts;
 - c) Enabling partners to identify priorities for further actions within their area or organisation;
 - d) Laying the foundation for a transformational approach to climate adaptation and resilience for the region; and
 - e) Supporting a just transition to a net zero and climate resilient economy, in a way that delivers fairness and tackles inequality and injustice.
- 1.2. For example, the Highland Climate Risk and Opportunity Assessment considers:-
- a) Risks to mental health and wellbeing from extreme weather events;
 - b) Risks to people and communities from wildfires;
 - c) Risks to service provision from extreme weather;
 - d) Risks to the Highland economy from impacts on key industries;
 - e) Risks to people and communities from flooding; and
 - f) Risks and opportunities to social justice and inequalities from climate change and adaptation responses.
- 1.3. The assessment will not prescribe specific adaptation actions for stakeholders to address the risks and opportunities that are identified. Additional work will be required to generate and prioritise these actions at community, sector, and organisational levels. This may include developing community, sector, and organisation-specific adaptation plans.
- 1.4. The assessment also will not provide a complete picture of how climate change will impact the Highland region. This is for two main reasons: (1) By nature of being a region-wide assessment, the assessment must focus on macro-level themes and data, while pointing to sources of more specific information; and (2) There is always a level of uncertainty in preparing for the future climate. Sometimes the level of uncertainty is uncomfortably high. Information is a key part of developing climate resilience, but we cannot put off acting until we have perfect predictions of the future. This is not possible.
- 1.5. By collating, organising, and providing additional perspectives on regional climate risks and opportunities, the Highland Climate Risk and Opportunity Assessment will be a valuable resource for the region. Importantly, however, there is already a wealth of information about climate-related risks at the UK and Scotland levels. Many organisations are already prioritising this work. Organisations that are ready to act now can use resources like those available on the Highland Adapts and Adaptation Scotland's websites to start their resilience work.

Appendix 2

Key findings of Paul Watkiss Associates' Economic Analysis of Climate Change Impacts on Highland Region

2.1. A review of **existing aggregate economic modelling studies** indicates that climate change could lead to annual impacts in Highland that are equivalent to around -1.5% of GDP by the 2050s, though there is high uncertainty around this number. This rises to between -1.5% and -3.3% by the 2080s, depending on the future level of warming, though some studies indicate potentially higher impacts than this under a worst-case scenario when catastrophic risks are included. This means that whilst global efforts to reach net zero remain critical, adaptation will also be an important priority in maintaining economic performance in Highland over the next twenty years.

2.2. **Coastal and river flood costs** are relatively modest today in Highland but are projected to increase significantly over time with climate change. With projected climate and socio-economic changes, flood damages could increase to £20m/year by mid-century and potentially double this amount by the end of the century. This equates to around 0.2% of Gross Value Added (GVA) (now and in the future).

2.3. The current costs of **wildfires** in Highland are estimated at £0.3b/year, driven by the high price of carbon emissions from forest and peatland wildfires. These costs potentially increase fourfold by the mid-century due to the combination of increased risk from climate change and higher carbon costs

2.4. The study also assessed the potential risks of **heat-related mortality and productivity** in Highland from climate change. This analysis indicates relatively small increases in heat-related risks, with potentially only a few additional heat-related mortality cases per year by 2050 and low to modest economic costs (noting these are societal costs and do not reduce GVA directly). Similarly, an analysis of the impact on labour productivity from rising heat finds low economic costs. While the study has not assessed the potential benefits of reduced winter temperatures, there would be economic benefits from reduced cold-related mortality and enhanced winter labour productivity in Highland.

2.5. For the **energy sector**, the aggregate costs were estimated to be in the high tens of millions a year, rising over time.

2.6. For the **food and drink sector**, the study explored the impacts of climate change on aquaculture and whisky production only. For aquaculture, risks of the potential change in salmon stock and production due to rising sea temperature and acidification were valued. The study also found high economic costs to whisky production from extreme weather events and climate conditions.

2.7. For the **forestry sector**, the assessment found potentially high costs from windstorms, changes in pests and diseases (focusing on Phytophthora) and from wildfires, all of which could potentially increase with climate change. However, it noted that costs are likely to be larger if other risks are included, such as other pests and diseases, changes in rainfall and extremes, and other effects along the value chain (such as forestry infrastructure and transport infrastructure). There is also some potential for positive effects from the extended growing season and other possible beneficial factors.