

REPORT TO SUSTAINABILITY COMMITTEE – 16 FEBRUARY 2022

CALL FOR VIEWS SUBMISSION: FINANCING AND DELIVERING A NET ZERO SCOTLAND

1 Executive Summary/Recommendation

1.1 This report details Aberdeenshire Council's response to the Scottish Parliament's Call for Views on "The Role of Local Government and its Cross-Sectoral Partners in Financing and Delivering a Net Zero Scotland". A comprehensive response from a number of officers was collated and demonstrated examples of good practice already in place but also the challenges facing local authorities in being able to fully support and embed the delivery of a Net Zero Scotland (**Appendix 1**).

1.2 Recommendation

The Committee is recommended to:

1.2.1 Acknowledge the Aberdeenshire Council submission to the Call for Views by the Scottish Parliament on Financing and Delivering a Net Zero Scotland which was submitted under delegated powers and following internal consultation.

2 Decision Making Route

2.1 The Net Zero, Energy and Transport Committee at the Scottish Parliament launched its first major inquiry of the new session – an inquiry into the role of local government and its cross-sectoral partners in financing and delivering a net zero Scotland. As part of this inquiry, a call for views was launched and Aberdeenshire Council was encouraged submit a collective response.

2.2 The [Call for Views](#) was issued on 24 November 2021, with a closing date of 21 January 2022.

2.3 As specified by the [Scheme of Governance](#), due to the timelines of Sustainability Committee meetings, the draft response was sent to the Chair, Vice Chair, and main Opposition Spokesperson of the Committee for consultation and review prior to submission.

3 Discussion

3.1 The inquiry aims to seek out the main barriers at a local level to Scotland reaching its net zero targets. It will consider what practical steps Councils are taking to break them down, in partnership with business, the voluntary sector, and local communities. It will also highlight areas where change will be needed if Councils are to play a full role in the helping us achieve the goal of a Net Zero Scotland.

3.2 The inquiry will also consider:

- what role the Scottish Government and its agencies can play in both supporting and, where necessary, challenging local government to work well with its partners to deliver net zero; and
- how local government can play its part in ensuring a “just transition” to net zero.

3.3 The Scottish Parliament are keen to hear as many informed views as possible, and to engage positively with Councils, companies, SMEs, academia, voluntary organisations and grassroots groups. The Parliament will take formal evidence at Committee meetings in early 2022 and intend to make visits, seeing practical examples of how Councils work with their partners to deliver net zero.

3.4 Responses were received from officers from the following services and collated with support from the Policy and Performance team:

- Environment and Sustainability
- Commercial and Procurement
- Planning and Economy

3.5 In summary, Aberdeenshire Council was able to provide a comprehensive response which demonstrated examples of good practice already in place but also the challenges facing local authorities in being able to fully support and embed the delivery of a Net Zero Scotland. The full response to the consultation can be found in **Appendix 1**.

4 Council Priorities, Implications and Risk

4.1 This report helps deliver all six of the Council’s Strategic Priorities.

Pillar	Priority
Our People	Education Health & Wellbeing
Our Environment	Infrastructure Resilient Communities
Our Economy	Economy & Enterprise Estate Modernisation

4.2 The table below shows whether risks and implications apply if the recommendations are agreed.

Subject	Yes	No	N/A
Financial			x
Staffing			x
Equalities and Fairer Duty Scotland			x
Children and Young People’s Rights and Wellbeing			x
Climate Change and Sustainability			x
Health and Wellbeing			x
Town Centre First			x

- 4.3 There are no staffing or financial implications arising from this report.
- 4.4 The screening section as part of Stage One of the Integrated Impact Assessment (IIA) process has not identified the requirement for any further detailed assessments to be undertaken. An IIA is not required because this report is to note a response to a Call for Views by the Scottish Parliament on financing and delivering a net zero Scotland which has already been submitted.
- 4.5 The following [Corporate Risks](#) have been identified as relevant to this matter on a Corporate Level:
- ACORP001 – Budget Pressures (Our Environment and Our Economy)
 - ACORP004 – Business and organisation change (including ensuring governance structures support change; managing the pace of change)
 - ACORP005 - Working with other organisations (e.g. supply chains, outsourcing and partnership working)
 - ACORP010 - Environmental challenges e.g. extreme weather events, climate change.

5 Scheme of Governance

- 5.1 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and their comments are incorporated within the report and are satisfied that the report complies with the [Scheme of Governance](#) and relevant legislation.
- 5.2 Sustainability Committee is able to note this report in terms of Section S1.1 (b) of the [List of Committee Powers in Part 2A](#) in the Scheme of Governance. Chief Officers can submit a Council response to an external consultation on any policy matter, according to Section A22 of the List of Officers Powers in Part 2B of the Scheme of Governance, where the timescale for responding does not permit an opportunity for approval by the appropriate policy committee. “Any response submitted under this delegated power shall be made following consultation with the Chair and Vice Chair and main Opposition Spokesperson of the appropriate policy committee, where possible, and must be reported to the next committee meeting”.

Alan Wood
Director of Environment and Infrastructure Services

Report prepared by Claudia Cowie Team Leader Sustainability and Climate Change
Date 2 February 2022

List of Appendices:

Appendix 1 - Call for Views Response: Financing and Delivering a Net Zero Scotland

Appendix 1: Call for Views Response: Financing and delivering a net zero Scotland

Council planning, decision-making and capacity in relation to net zero

1. How effective are councils at strategic planning, budgeting, and making procurement decisions that align with net zero goals? If there are barriers, what are they?

Councils, including this one, are beginning to tackle this in earnest but are still at an early stage.

Aberdeenshire Council has had a formal Carbon Budgeting process in place for several years which sees the matter considered at Full Council alongside Revenue and Capital Budgets. We have also recently elevated a sub Committee that considers Sustainability to full Committee status.

A major barrier is understanding what various paths to net zero would look like in practice, given the uncertainties of external conditions, and therefore being able to assess the cost and operational implications of options and assessing what ultimately represents the most sustainable, optimal strategy or course of action.

A barrier to strategic planning is the lack of clarity around the long-term vision on the measuring of emissions and environmental impacts. For example, would these be done at national or local levels, by sectors or by regions, and how would this all fit together to give a coherent picture, including national import and export-level emissions? Another barrier to budgeting to align with net zero goals is the lack of incentives for public procurement to innovate towards this goal. The Scottish Procurement Policy Note (SPPN) 1/2021: *Taking Account of Climate and Circular Economy Considerations in Public Procurement*, recognises considerations must be proportionate and relevant to the contract and notes " the absence of any suitable recognised and/or widely adopted international scheme to measure and record the precise environmental impact of procuring many goods, works and services, it is not possible to apply a universal measure to public procurement at present." Given that this Policy Note is so recent there is clearly a need to revisit this area as a matter of some urgency if we are to build net zero into procuring goods and services in an effective way.

Councils are generally good at planning and making the right procurement decisions in respect of ensuring that potential suppliers are encouraged to consider their own credentials when it comes to supply chain activity etc but this cannot readily translate into reliably recording operational emissions released/saved/avoided per project distinct from general organisational credentials in terms of fleet/buildings/energy etc (especially where the same suppliers are performing multiple contracts).

In terms of strategic planning and budgeting, this has been more of a barrier given the very many different funding streams from government that have been made available to Councils - in some instances this can lead to teams working in silos rather than looking across the Council to see where joint working and combining funding could lead to better procurement which meets the longer-term strategic goals

more readily. This is being tackled within this Council through a formal arrangement to share opportunities for external funding with elected members and via an officer collaboration board.

Strategic Planning for land management to maximise the benefit of our own estate could be improved with resource focused on this. Length of agreed contracts can present a barrier, for example at a very operational level a review of our verge management policy will provide an opportunity to reduce emissions but may encounter issues around early delivery as current (3-year) contracts are in place. Incentives to allow early changes to such arrangements would assist all Councils.

2. What role can the local government planning system and local development plans do to help us reach net zero? Could the planning system do more?

The planning system could perhaps do more, but the specifics and extent of any additional reach should be carefully considered, particularly in light of considering fairness in any transition.

Carbon baselines and quantifiable requirements with consequences for non-compliance could be established in a planning context. If the Council were the developer, then addressing net zero in planning would then have a knock-on, positive effect on procurement, potentially giving 'greater teeth' to requirements and sanctions for non-compliance, rather than leaving things more open to developers. Where the Council is not the developer, it would give local authorities more oversight and provide data relevant to net zero considerations far beyond the Council's own estate. Through planning reform of this nature, local authority areas can potentially become net zero cities, places or regions as opposed to a narrower concentration on the authority's own emissions on its own estate.

Securing positive impacts for biodiversity (potentially by using biodiversity net gain metrics) has a role here in protecting carbon stores and restoring degraded habitat such as native woodland and bogs. Additional planting as part of landscaping schemes adding to blue-green networks also has a role.

The local government planning systems need to be mindful of the activity going on across their regions and collating any net zero activity to ensure that the bigger, more far-reaching objectives for carbon reduction are met from a general perspective, incorporating public sector bodies and private organisations. The planning system needs to ensure it is horizon scanning for any new developments coming from any source which could have an impact on overall provision of carbon reduction solutions.

The role must be seen as limited, as the planning system can only control the location of development and has very little real effect on existing uses. It does not impact on the wider carbon uses that might be accommodated by development and can only have a minor impact on matters such as the carbon emissions from physical construction. The land use planning system enables new development in sustainable locations and provides clear advice on the need to develop in an environmentally sustainable way, but it cannot require the adoption of zero carbon activities. Currently zero carbon behaviour does not outweigh sustainable economic

development goals. Although there are policies in the plan that promote energy efficiency and renewable energy generation from new developments, these are elements that can only be delivered once consent has been secured (through suspensive conditions on a consent), the quality of the net zero outcome is not a direct influence on the regulatory system. Evidence has shown us, in the form of submissions from the development industry, that to achieve the Scottish Governments aspirations direct regulation through the Building Standards system is a more effective means of securing material and cultural change. Change in the Scottish land use planning system is constrained by significant lag and inertia. While objectives may be current, often implementation of the policies requires a significant period of time to elapse before good intentions are translated into action. The development programmes for development sites are often dependant on viability assessments that are insensitive to significant changes in the context of the development.

Innovations promoted by the Scottish Government such as the Heat in Buildings Strategy and Local Heat and Energy Efficiency Strategies (LHEES) are laudable and should be supported. There are fears that the change they promote to support net zero will not be delivered so as to be consistent with the short-term targets set. Significant cultural change would be required for the planning system to effect change more rapidly as it is constrained by a system of long-period development plans that each take a significant period of time to prepare. Regulation by the Scottish Government across the key sectors is likely to have a greater impact on addressing the Climate emergency in the short term. Development plans can, over time, secure behaviour change to normalise net zero development that contributes to net zero.

3. What innovation, skills and capacity are needed in the local government workforce when it comes to making net zero achievable? Does that capacity exist or are there gaps?

To assess net zero and make plans towards any changes, local government will need to find the capacity to plan holistically and in an integrated fashion across its remit and with wider stakeholders for a period up to and beyond 2045. Finding this capacity is dependent on the prioritisation of this activity among other local authority priorities and available funds. Particular new innovation and skills will be required for local government to play its part in a transition to a more circular economy, particular in its work with supply chains through purchasing and procurement activities. Innovation and skills are starting to grow in this area but much more are needed (at a practical as opposed to theoretical level). Circular economy measures cannot compromise health and safety or UKCA/CE marking compliance standards and it is thought there is a potential knowledge gap in this area.

Managing Council owned land - we have expertise in forest and woodland and countryside management but existing staff are over stretched and often only acting on a reactive basis (response to storm Arwen being a good example here). We manage a significant area of woodland (for example), and resourcing woodland management properly would allow consideration of the best outcomes for our

woodland for biodiversity and carbon management, the same is true for other areas of countryside and green space in our management. There is currently no resource for monitoring of implementation of agreed landscape planting. Funding for a 'green infrastructure monitoring officer' would allow maximising benefit from landscaping schemes and strategic planting required as part of development.

There are many skills within local government to meet these challenges but again, the issues to date have been around the different teams, different funding streams, (slightly) different objectives and the silo working. Skills which are needed are those coming from Collaborative and Programme Management standpoints in order to ensure that all activity in net zero work across an organisation is being logged and is part of the bigger agenda to meet the desired targets. There are lots of technical skill which have been developed in recent years by the current workstreams being addressed to achieve net zero.

For the strategic piece, skills that pull different organisations/teams and workstreams together is crucial to ensure an efficient delivery of net zero, reducing duplication across many different teams etc.

Implementing net zero measures is one aspect, capturing verified outcomes on emissions expended/avoided/saved is another element more challenging due to the longer-term nature of some projects and initiatives. If there is too much concentration on verified evidence and reporting, this might discourage implementation of certain initiatives or general experimentation.

Within development planning there are significant resource capacity issues that would have to be addressed to allow the development plan to move from a reactive to a proactive position with regards to net zero. Additional obligations identified by the Scottish Government have to take their place against all the previous obligations made. Capacity and full capability does not yet exist within the local government workforce as much of the evolving practice is new and strange to existing staff. Significantly more capacity and capability building is required to result in the local government workforce emerging as champions on net zero.

Partnering to achieve net zero goals

4. How well do councils leverage in support and finance from the private sector for net zero delivery? Are City Region Deals being used effectively for this? What mechanisms or forums are there for sharing opportunities and good practice?

Councils are getting better at this by involving procurement teams at an early stage in these discussions, to ensure that fair, proportionate and compliant practices are being followed in all cases in line with Financial Regulations and Procurement Guidelines. There are many different forums available for sharing experiences and best practice; however, the difficulty is that each organisation has its own agendas and strategic plans to meet the targets and they do not necessarily align. Not all stakeholders are necessarily full contracting authorities or subject to the full procurement rules. This takes time to remedy, to get everyone ready to move forwards at the same pace and in the same direction.

City Region Deals were agreed before the net zero goals were established. New guidance has since been developed - *Scottish City Region and Regional Growth Deals: Carbon Management Guidance for Projects and Programmes*. Work is ongoing with Project Owners on managing potential carbon emissions associated with Scottish City Region and Regional Growth Deal projects utilising this recent guidance.

Each City Region Deal project has done a carbon capture benefits sheet that are being reviewed by Scottish Government now. In the North East City Region Deal the net zero Technology Centre is clearly a priority here and that project has seen £180m/£240m UK/SG funding. There is also a North East City Region Deal Programme Management group that meets regularly - remit is to share opportunities and good practice, and from that smaller working groups/networking across projects with similar themes.

5. How well do councils partner with the voluntary sector and social enterprises to work towards net zero goals? Are there instances of good practice you can point to or areas where opportunities are being missed?

There are particular opportunities for Councils to work with the voluntary sector and social enterprises around reuse and repair aspects of the transition to a more circular economy. Councils could develop formal links with reuse and repair organisations for mutual benefit in the reuse and repair of Council and community assets and their exchange. Moray Wastebusters in Forres would be a good example of one direction the Councils could explore further working with the voluntary sector and social enterprises. The voluntary sector and social enterprises were a big part of developing the recycling sector a few decades ago and could play a similar role in developing the reuse and repair sectors.

The Easter-Beltie restoration project provides an excellent example of partnership working in habitat restoration. Perhaps a missed opportunity for this project and a lesson for future is to specifically consider a carbon storage assessment for the restoration. A second example is the management of the Ury floodplain in Inverurie by Ury Riverside Park SCIO who are working to restore the natural floodplain habitat (<https://www.facebook.com/Uryriversidepark/>). Partnership with the community and voluntary sectors is essential in securing such projects going forward. There are numerous good practice examples to build on.

Community Benefits are encouraged from suppliers where it is proportionate and relevant to do so which helps to meet some of these net zero targets and absolutely makes it part of the service delivery for larger contractors to ensure that this happens. This could incorporate the further use/support of voluntary organisations etc in a supporting role.

6. How well do councils involve local communities in decision-making on major net zero projects and how do they support community-led initiatives?

The involvement of local communities in decision-making on major projects is perhaps not what it could be so far on account of the fact that there is little clarity at present on the range, scope and costs of many major projects that Councils will need to deliver in order to work towards emissions reduction goals. Councils and political parties need to work on defining potential paths to net zero and definite, deliverable options before taking these to communities and also through the local democratic processes. Councils are generally supportive in principle of community-led initiatives, however, without a shared vision of future communities it is difficult for these initiatives to be supported as comprehensively as they might be if they could be seen to fit into an overall plan for a community or area. Community-led initiatives would for at least the most part, fit within the confines of public procurement in terms of delivering cost-effective and sustainable solutions (bearing in mind the supplier might only be engaged for a relatively short period).

Also see examples above for community led initiatives and partnerships supported by the Council.

The formation of the North East Scotland Climate Action Network (NESCAN) will hopefully provide a platform to improve on future opportunities for the Council to engage local communities in decision-making and support future community-led initiatives which support net zero targets.

Aberdeenshire Council is well placed to support community led initiatives through its long standing and very effective devolved governance structure via six Area Committees as well as a strong multi agency approach through the Community Planning Partnership. The Council, Community and Area Plans are interlinked and have specific objectives and commitments that support current and future work on net zero.

Role of the Scottish Government and its agencies

7. What is the Scottish Government doing to help the local government sector deliver on net zero goals? What, if anything, could it do more of to help the sector?

The key issue here is one of resource availability. To effect change significantly more resources are required, both in terms of capacity and capability building and direct funding of strategic net zero projects.

The government is developing targets, expectations and guidance to support the local government sector. The government, as is widely acknowledged, needs to provide further clarity on how local authorities are practically expected to deliver, including the critical issues of finance, compliance in public procurement, standard measurement and reporting methodologies and tools to guide buyers and suppliers.

The government could also develop and clarify the long-term vision for measuring of emissions and environmental impacts. For example, would these be done at national

or local levels, by sectors or by regions, and how would this all fit together to give a coherent picture. Additionally, it would be good to have clarification on accounting for emissions in products at a national import and export level. The government could support the development of a national public procurement good practice forum with associated legal support that covers both the planning and procurement functions addressing compliance, proportionate and relevant practical solutions in terms of the core requirement and added value. The government could provide guidance on carbon assessment for procurement and projects (separating operational carbon per project from general supplier credentials) as well as support the assessment, development and/or selection of a carbon calculator tool(s) to be used in Council-led procurements and/or planning decisions. The tool(s) would need to produce reliable and verified numerical data that was project specific, be 'proportionate and relevant', be user-friendly and avoid double-accounting and be cost-neutral as far as possible.

The government could support the further interlinking of national legislation and standards, particularly for procurement and planning. The Planning Act and Building Standards/Guidance were updated in 2019 but could potentially be revisited again given the importance of the issues. The government could work to ensure that the emissions reduction agenda does not overshadow all other aspects of the Sustainable Procurement Duty such as jobs, skills, community support and fair work. The government could support the exploration of planning conditions becoming more specific and prescriptive in terms of emissions with appropriate, proportionate sanctions in place if conditions not met satisfactorily.

The government is assisting by offering funding through its various agencies. By collating the funding, it would help to make strategic planning more inclusive to all areas of need and help to have the funding spent more effectively and efficiently.

Retaining a proportion of the forthcoming Nature Restoration Fund (with the addition of a confirmed time period for the fund) to go directly to local authorities would greatly aid local support for habitat management, restoration and local biodiversity.

Finally in the same way that the functional areas in each Council regularly take stock of how they collaborate across Directorates the same ask is made to Scottish Government. Multiple consultations, guidance notes and funding streams will place unnecessary additional burden on Councils. These could be streamlined at source by Scottish Government and then supported by fewer and longer term funding allocation which can then be utilised more flexibly.

8. What is the role of enterprise agencies or other public bodies as enablers of joint working on net zero goals by local government and its cross-sectoral partners?

Enterprise agencies and other public bodies can have a substantive role in bringing local authorities together to share best practice and develop joint approaches. Business Gateways and the Supplier Development Programme can assist with supplier capacity and capability in a net zero/public procurement context. Additionally, they can act as a voice of the local authorities, clearly communicating their challenges and requests to government.

To date it has been very much each organisation doing its own thing. In Aberdeenshire we are now part of the collaborative funding from Scottish Futures Trust to build a business case for all of the north (Shared service Councils, Northern Joint Roads Collaboration, HiTrans, etc) to look at alternative funding models for EV infrastructure. This is being led by Commercial and Procurement Shared Service (C&PSS) and is a unique approach in Scotland.

Sustainable Scotland Network (SSN) is a great example of how Public Sector bodies can engage with and learn from each other. This network should be further supported so that resources can be used wisely. There is such a great opportunity here to utilise SSN for collaborative working across the sector which would be much more beneficial for the net zero target than public sector bodies working in silos to meet their own targets. Even though each organisation may be very specific in their roles and needs of their different areas, strong collaborative working which recognises the strengths and challenges across the public sector could mean reaching net zero much quicker and deliver additional co-benefits in the process.

As per the comment in the reply to Q7 there is of course a need for the regional and national agencies to look at the work that others are doing before committing establishing further groups/collaborations.

Local government work on net zero in particular areas

9. How are councils working with cross-sectoral partners to decarbonise heat in buildings and to ensure they have greater energy efficiency?

For their own assets Councils will be engaging and collaborating with contractors and consultants to ensure their new buildings and building refurbishments and upgrades address decarbonisation targets. Working with cross-sectoral partners for wider regional building heat decarbonisation will be less common (although definitely ongoing) as it is less a part of core local authority requirements.

Development of Local Heat and Energy Efficiency Strategies (LHEES) and their delivery plans will encourage and provide opportunities for cross-sectoral partnership working in the decarbonisation of heat in buildings and improvements in energy efficiency. However, the challenge of resourcing the development of LHEES and then implementing the delivery plan will be a challenge for local authorities and therefore requires support from Scottish Government.

The City Region Deal in the North East has also developed work in the seedpod and bio hub around heat and conversion to electricity.

There is however quite a bit of concern around the continuity of supply if we change to more sustainable heating systems which need electricity to run. Associated with this are the concerns about costs of power. Proposals for local electricity networks which could contribute to net zero is therefore of interest to Aberdeenshire Council.

10. How are councils working with cross-sectoral partners to decarbonise transport (including encouraging active travel) and to improve air quality?

Councils are actively engaged with cross-sectoral partners, although the degree to which Councils have influence may be limited.

In Aberdeenshire we are now part of the collaborative funding from Scottish Futures Trust to build a business case for all of the North (Shared Service Councils, Northern Joint Roads Collaboration, HiTrans, etc) to look at alternative funding models for EV infrastructure. This is being led by C&PSS and is a unique approach in Scotland.

The Council also maximises its Smarter Choices Smarter Places funding to bring together partners from various organisations to deliver on joint priorities concerning active and sustainable travel.

Through its links with various community groups, SCIOS and Development Trusts, the Council is able to use its funding and staff resource to add support to projects being delivered externally where there aligned objectives and shared outputs.

The Council has developed a strategic approach to decarbonising our in house fleet of vehicles and is involved in early national workstreams (UK and Scotland) on decarbonising the local road network.

A revised Local Transport Strategy is also about to be developed which will have to build in the net zero commitments made at local, regional and national levels.

The Council is also an active partner in the European Interreg project HyTrEc2 which aims to increase the use of hydrogen as a fuel source in transport projects through collaboration and knowledge sharing across European partners. This has led to five hydrogen vehicles being introduced into the Council fleet as well as supporting feasibility studies for larger projects such as refuelling infrastructure and further fleet decarbonisation.

11. How are councils working with cross-sectoral partners to promote recycling and a “circular economy”?

There are examples of Councils working with cross-sectoral partners, such as the Greater Manchester partnership with SUEZ to build reuse into their waste contracts, however there is potential for this to go a lot further and be a lot more widespread. Councils are the major engagement most people and businesses have with the 'waste' sector and therefore there is a huge opportunity for Councils to work with partners to transform the 'waste' industry into a 'resources' industry, having reuse, repair and circular economy at its heart.

12. How are councils working with cross-sectoral partners to use the natural environment (its “green infrastructure”) to achieve net zero targets?

This work is ongoing but maybe not as widespread or significant as it could be given that it is not one of the priority areas for local authorities.

An important vehicle for cross-sectoral working in the natural environment is the Local Biodiversity Action Plan - North East Scotland Biodiversity Partnership

(NESBiP). The Regional Land Use Pilot (RLUP) will hopefully also provide a key role. NESBiP has a history of collaborative working and facilitating information sharing and project development across the region.