

REPORT TO SUSTAINABILITY COMMITTEE – 23 FEBRUARY 2023

THE ROLE OF LOCAL GOVERNMENT AND ITS CROSS-SECTORAL PARTNERS IN FINANCING AND DELIVERING A NET-ZERO SCOTLAND

1 Executive Summary/Recommendations

1.1 The Scottish Parliament's Net Zero, Energy and Transport Committee published its report on 'The role of local government and its cross-sectoral partners in financing and delivering a net-zero Scotland' on 23 January 2023. This report to Sustainability Committee provides a summary of the recommendations within the report for consideration and comment.

1.2 The Committee is recommended to:

1.2.1 Consider and comment on the Scottish Parliament's Net Zero, Energy and Transport Committee's report and the summary of its recommendations (Appendix 1) on the role of local government and its cross-sectoral partners in financing and delivering a net-zero Scotland which was published on 23 January 2023; and

1.2.2 Agree that the Chair of the Sustainability Committee following consultation with the Vice Chair and Opposition Spokesperson, write to COSLA acknowledging the recommendations within the Scottish Parliament's Net Zero, Energy and Transport Committee's report and encourage COSLA to engage with Government to ensure appropriate action is taken.

2 Decision-Making Route

2.1 The Net Zero, Energy and Transport Committee of the Scottish Parliament launched its first major inquiry of the new session on 24 November 2021. The inquiry looked 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 to submit a collective response and did so by the closing date of 21 January 2022.

2.2 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 Council's response came to Sustainability Committee on 16 February 2022 ([Item 7](#)).

2.3 Over the course of almost a year of evidence-taking, including visits across Scotland, the Net Zero, Energy and Transport Committee published its full report on 23 January 2023 which can be found here: [The role of local government and its cross-sectoral partners in financing and delivering a net-](#)

[zero Scotland \(azureedge.net\)](https://www.azureedge.net). Many of the points made in the Council's submission are reflected in that report.

3 Discussion

- 3.1 The report recognises the importance and key roles of local government in delivering a Net Zero Scotland. The Net Zero, Energy and Transport Committee was encouraged by progress to date but also recognises the challenges facing local government and the impact on resources and skills under a very strained financial situation.
- 3.2 Among some of the 25 recommendations by the Net Zero, Energy and Transport Committee to the Scottish Government (which can be found summarised in **Appendix 1**) were these key ones:
- Provide a comprehensive roadmap for delivery of net zero giving Councils far more certainty about the roles they play.
 - Create a "climate intelligence unit" to provide specialist support to Councils.
 - Provide larger, fewer and more flexible challenge fund streams.
 - Address planning challenges and the decline of Council employed planners to support the ambition within the National Planning Framework – including considering apprenticeships.
 - Clarify the role Councils will play in an area-based approach to heat decarbonisation including a new Public Energy Agency empowered and directed to work with local government on area-based delivery.
- 3.3 The Committee also recognised however that Councils themselves should also be doing more to ensure that net zero goals and financial budgeting are aligned. It also encouraged the Scottish Government to ensure Councils have regional based targets and can demonstrate how they are working with communities to ensure that people are involved in the shaping and delivery of their net zero area.
- 3.4 A summary of all 25 recommendations can be found in **Appendix 1**. It will be for Scottish Government, COSLA and each individual Authority to consider what actions they will require to take to take forward those recommendations.

4 Council Priorities, Implications and Risk

- 4.1 This report helps deliver the Strategic Priority "Climate Change" within the Pillar "Our Environment".

Pillar	Priority
Our People	<ul style="list-style-type: none"> • Learning for Life • Health & Wellbeing
Our Environment	<ul style="list-style-type: none"> • Climate Change • Resilient Communities
Our Economy	<ul style="list-style-type: none"> • Economic Growth • Infrastructure and public assets

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 direct 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 as this report is providing a summary of an external report being brought to the Committee for consideration and comment only.

4.5 The following Risks in the [Corporate Risk Register](#) have been identified as relevant to this matter on a Corporate Level:

- Risk ID ACORP010 as it relates to environmental challenges; and
- Risk ID ACORP006 as it relates to reputation management

The following Risk in the [Directorate Risk Registers](#) has been identified as relevant to this matter on a Strategic Level:

- Risk ID ISSR010 as it relates to Climate Change.

4.5.1 Mitigation of these risks could be addressed by sufficient communication and engagement on the progress Aberdeenshire Council is making with regards to climate change mitigation and adaptation both internally and externally. This includes being transparent on the challenges of addressing climate change as well as the opportunities for the organisation and region.

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. They are satisfied that the report complies with the Scheme of Governance and relevant legislation.
- 5.2 The Committee is able to consider and take a decision on this item in terms of Section R paragraph 1.1 (b) of the List of Committee Powers in Part 2A of the Scheme of Governance as it relates to responding, on the Council's behalf, to the Scottish Government and other relevant bodies regarding sustainable development and climate change issues.

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Date: 8 February 2023

List of Appendices:

Appendix 1 - Summary of the recommendations within the Net Zero, Energy and Transport Committee report

Appendix 1 - Summary of the recommendations within the Net Zero, Energy and Transport Committee report

A Summary of the Conclusions and Recommendations for the Scottish Government within the Report

1. Work with COSLA to audit the effectiveness of Councils' net zero-related strategic planning and data-gathering. Promote and embed best practice in mainstreaming net zero planning into decision-making.
2. The above should include:
 - a. Planning and major budgetary decisions are consistent with net zero.
 - b. Council administrations who lead on climate change and net zero are embedded within senior leadership.
 - c. Promoting models of Council leadership on net zero.
 - d. Promoting best practice in the way Councils fulfil their statutory reporting duties – this includes introducing a formal duty requiring Councils to report area-based emissions.
3. Regard the Climate Change Committee's call for a comprehensive roadmap for delivery of net zero giving Councils far more certainty about the roles they play including additional resource and powers to do so.
4. Recognise the current financial strain of Councils to deliver core services and so any new deal and associated reforms to come through Scottish Government must comprehensively address how Councils are to be supported in delivering on net zero.
5. The above should include:
 - a. Setting out how the Government will allocate additional resources through core funding to help Councils contribute to net zero targets.
 - b. Acting on evidence that the system of challenge funding has many challenges and a support system of larger, fewer and more flexible funding streams is required.
 - c. Building in mutual confidence between Local Authorities and potential private investors through any initiatives such as the Green Investment Portfolio.
 - d. Setting up a local government-facing "climate change intelligence unit" dedicated to liaising with the sector to provide specialist help and advice to meet net zero targets.
 - e. Responding to views that public procurement places too much weight on short-term economic benefit rather than long term sustainability and clarify how circular economy will be reflected in procurement.
6. Clarify whether additional powers or levers are amongst those matters being considered in talks on a new deal and provide an update on plans to introduce

an infrastructure levy and views on how this could assist Councils in funding net-zero compatible capital projects.

7. Work with the Scottish National Investment Bank on strengthening its role as an enabler of greater cooperation between local government and private investors.
8. Work with the UK Government and relevant Councils to re-examine whether net zero goals are built into current City Region Deals and seek to add achieving net zero by 2045 to existing Deals.
9. Provide an update on its work on creating an apprenticeship scheme for planners with the Royal Town Planning Institute and comment on whether it has considered supporting planning being treated as a STEM subject.
10. Provide an update on its dialogue with the planning profession about expanding permitted development rights.
11. Consider setting up a short life working group on renewable energy within the planning system to examine how to better expedite and rebalance the renewables projects applications process.
12. Respond to concerns raised that limitations on grid capacity are increasingly putting planning applications for renewable projects at risk and share any dialogue being had with regulators and the UK Government about ensuring that the Grid increases its capacity for a smooth energy transition.
13. Set out the expected role in a detailed implementation plan of local government and any additional resources or powers that will be made available to them for decarbonising heat in buildings.
14. Issues that an implementation plan must address include:
 - a. Revamping of funding streams to be more accessible and less short-term, that incentivise a place-based approach to heat decarbonisation.
 - b. Clarifying Councils role in relation to district heating networks.
 - c. Working on a strategy to attract private investment and setting out how local government is to be involved.
 - d. Setting specific assistance available to councils with a large amount of rural housing and island councils where there are additional challenges in relation both to decarbonised heat and retrofitting.
 - e. Empowering and resourcing the new National Public Energy Agency to play a strategic and coordinating role in heat decarbonisation with Local Authorities including promoting best practice, guidance and skills development in retrofitting.
15. Empower and resource a stronger Regional Transport Partnership model to help enable positive behavioural change and achieve a more joined up and strategic approach to public transport and active travel at regional level.

16. Determine whether a step change in the number of Council-run bus services is part of its vision for a decarbonised transport sector.
17. Work with COSLA to champion best practice in EV charging point roll-out across all Councils as an integral element in a place based approach to spatial planning.
18. Work with COSLA and Zero Waste Scotland to further refine a national waste strategy that reflects recycling rates, circular economy and net zero targets.
19. Support the strategic provision of key infrastructure and place-based approach in Councils meeting more stringent waste targets that achieve positive synergies between waste management and other net zero goals.
20. Consider how nature-based solutions to climate change can be better exploited by addressing the lack of resource and expertise at local levels by:
 - a. Agreeing that a climate intelligence service could support nature-based interventions.
 - b. Addressing concerns that funding is currently insufficient or too resource intensive.
 - c. Addressing concerns that key legislation in this area requires an Amendment to be effective.
21. Work with COSLA to address the concerns of the Accounts Commission that Councils are not making adequate provision for adaptation and mitigation measures in their strategic net zero planning.
22. Work with COSLA to promote good models of community engagement on climate change and net zero, demonstrating that effective engagement of communities is vital to embed a place-based approach.
23. Audit the human and financial resources Councils are making available for climate change-related community engagement and agreeing on minimum standards.
24. Address the similar concerns of community groups about challenge funding by providing fewer, larger, more flexible and longer-profiled challenge funds.
25. Clarify the role it envisages local place plans can play in ensuring communities and community groups have a meaningful say in net zero-focussed planning and place-making, now that LPPs have become part of the planning system. Address the expert evidence that additional resource will be needed to ensure that community engagement at the preparation stage of LPPs is meaningful.