

REPORT TO ABERDEENSHIRE COUNCIL – 22 FEBRUARY 2024

CARBON BUDGET 2024 - 2025

1 Executive Summary/Recommendations

1.1 The report contains Aberdeenshire Council's Carbon Budget for 2024/25 and identified projects which will reduce operational emissions further as the Council continues to progress with its interim target of 75% reduction in emissions by 2030 (from its 2010-2011 baseline). Projects include LED replacements, building upgrades, and energy efficiency interventions. The report also highlights the progress to date made by Aberdeenshire Council in reducing its internal operational emissions.

1.2 The Council is recommended to:

1.2.1 Agree a total Carbon Budget of 40,921 tonnes CO₂e for 2024/25 as set out in Table 1 in Appendix 1;

1.2.2 Agree future Carbon Budgets for 2024/25 to 2030/31 on a provisional basis as set out in Table 2 in Appendix 1;

1.2.3 Agree the Carbon Budget 2024/25 reduction measures as set out in Appendix 2 and 3, noting that due to the financial constraints, at this stage, the measures will not fully meet the carbon budget target for 2024/25;

1.2.4 Delegate the responsibility to each Director to secure reduction totals for their areas of responsibility as set out in the interventions listed in Appendix 2 and 3, including consideration of additional opportunities for CO₂e savings to support reaching a Carbon Budget of 40,921tCO₂e for 2024/25 and the reduction totals for each Directorate as set out in Table 3 Appendix 1;

1.2.5 Note the risks set out in Appendix 4; and

1.2.6 Instruct each Director to nominate officers from across their services as Carbon Budget leads to report in year progress at 6 monthly intervals to the relevant Policy Committees and to the Sustainability Committee.

2 Decision Making Route

2.1 Section 44 of Part 4 of the Climate Change (Scotland) Act 2009 places duties on public bodies relating to climate change. These duties entered into force on 1 January 2011 and require that a public body must, in exercising its functions, act:

- In the way best calculated to contribute to delivery of the Act's emissions reduction targets;
- In the way best calculated to deliver Scotland's statutory climate change adaptation programme; and
- In a way that it considers most sustainable.

2.2 The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 sets national emissions reduction targets as:

- At least 75% lower than the baseline year by 2030;
- At least 90% lower than the baseline year by 2040; and
- Net Zero by 2045 ('Net Zero' refers to achieving an overall balance between emissions produced and emissions taken out of the atmosphere).

2.3 On 18 March 2020 Aberdeenshire Council agreed a Climate Change Declaration ([Item 9](#)), committing the Council to work towards a carbon free society by reducing its own emissions by 75% (2010/11 baseline) by 2030 and to work with others across the region to ensure that Aberdeenshire reaches Net Zero by 2045.

2.4 Aberdeenshire Council has utilised a Carbon Budget process since 2017/18 as a method to plan and manage emission reduction across the organisation. On 29 September 2022, Aberdeenshire Council approved the Route Map to 2030 and Beyond ([Item 14](#)). This laid out future Carbon Budget needs, including the estimated financial investment required to meet the 75% reduction target by 2030. The Route Map also listed 11 recommendations that need to be actioned in order to support the Council in meeting its targets.

3 Discussion

3.1 On 29 October 2021 the Scottish Government in partnership with Sustainable Scotland Network (SSN) published interim guidance on [Public Sector Leadership on the Global Climate Emergency](#). The guidance is in part to support the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Amendment Order 2020 which set out additional requirements for reporting periods commencing on or after 1 April 2021.

3.2 Aberdeenshire Council already demonstrated compliance with most of the additional requirements. The Carbon Budget process and the Route Map to 2030 and Beyond captured the gaps.

3.3 Fully comprehensive Statutory Guidance covering the three Climate Change Duties of Mitigation, Adaptation and Acting Sustainably is currently being developed by the Scottish Government. Public consultation of this guidance will be issued in April-June 2024 with final publication set for March 2025. The

Team Leader for Sustainability and Climate Change at Aberdeenshire Council is the Local Authority representative on the Statutory Guidance Advisory Group. Officers from across the Council's services have been engaged in different relevant chapters providing their expertise, case study examples and overall feedback through informal interviews or by attending workshops developed by Scottish Government and Sustainable Scotland Network.

- 3.4 Table 1 and Figure 1 in **Appendix 1** demonstrate the progress being made annually by Aberdeenshire Council as it moves closer towards its reduction target of 75% by 2030 from its 2010/11 baseline year. Progress to date has been related to different services being engaged in reducing the Council's emissions. A few examples of this are energy efficiency and de-carbonisation projects across the operational building estate, LED street light programme, reduction in miles through the Council's fleet, and changes to fuel type and materials in our quarries.
- 3.5 In addition to projects, a reduction in the Council's overall emissions has also been supported by several different factors. For example, the decarbonisation of the electricity grid has seen an annual reduction in the emission factor associated with this, which the Council benefits from. However, for 2023 the emission factor for electricity increased, highlighting that this benefit is not an annual guarantee and therefore has not been included in the list of projects for the Carbon Budget 2024/25. Once 2024 emission factors are published (usually in June/July) we can assess if this will bring an additional reduction to the Council.
- 3.6 Figure 2 in **Appendix 1** provides a breakdown of the emissions recorded by Aberdeenshire Council for 2022/23. Further detail can be found in the Aberdeenshire Council's Public Bodies Climate Change Duties Report which went to Sustainability Committee on 15 November 2023 ([Item 7](#)). All previous report years since 2014/15 can be here: <https://sustainablescotlandnetwork.org/reports/aberdeenshire-council>
- 3.7 **Appendix 1** also demonstrates how the Carbon Budgets for 2024/25 to 2030/31 have been determined utilising the required linear reduction to 75% from the 2010/11 baseline year (Table 1 & 2 and Figure 1). The Carbon Budget concept has been to allocate a reduction requirement of tonnes Carbon Dioxide Equivalent (tCO₂e) annually for the organisation's internal emissions. The annual reduction requirement for Aberdeenshire Council is estimated at 3250 tCO₂e each year. This figure does not take into consideration any decarbonisation of the grid.
- 3.7.1 Directorates will be required to work towards meeting emission reduction targets as set out in Table 3 in **Appendix 1**. Setting targets for each Directorate is challenging due to a number of factors including overall responsibility, financial budgets, behaviours etc. The development of a Heating Policy is a great example of this. The development of the policy will sit within Business Services and this is where the saving is showing in **Appendix 2**. However, its success is down to all services, and how well they adopt the policy throughout the buildings they use so the overall saving is therefore technically

across all 4 Directorates. This process of delegating targets will need to be monitored over the year and on an annual basis to ensure the process is providing a positive outcome.

- 3.8 For this Carbon Budget 2024/25, new guidance has been developed and engagement across services has gathered information and data for a range of projects utilising a new Microsoft Form process. Focus has very much been on the opportunities to further reduce the Council's emissions from its operational buildings, quarries, and street lighting, as well as looking at additional energy efficiency and resource interventions within the approved budgets.
- 3.9 The majority of projects listed are ones which were already identified as being planned for 2024/25 and so have been captured in the Revenue and Capital Budgets as shown in Table 2 in **Appendix 3**. However, it is important to note that the progress on projects will depend upon the allocations within the approved Capital Plan for 2024/25. Projects may still be added during 2024/25 if internal budget or external funding becomes available and these will be included in the Sustainability Committee and relevant Policy Committee updates.
- 3.10 There are also a number of projects happening across the Council that will support regional emission reduction but may not be captured through the Council's own emissions. For example, the Council does not report emissions from its Housing stock under current guidance. However, there is extensive work ongoing by the Housing Service on energy efficiency measures, solar PV generation, and heat decarbonisation which should not go unrecognised. Table 3 in **Appendix 3** outlines planned projects being led by the Housing service in 2024/25 which will support regional emission reduction.
- 3.11 The Local Heat and Energy Efficiency Strategy (LHEES) will also support area-based planning and delivery of the heat transition by decarbonising heat in buildings and improving energy efficiency across an entire local authority area. The delivery of the LHEES will support the statutory emissions reduction targets both internally and regionally. The draft LHEES will be uploaded on to the Engage platform for consultation in February/March 2024. The final draft strategy will be presented to Full Council by the end of June 2024 for approval.
- 3.12 Similarly, the Education and Children's Services Directorate has developed a Sustainability and Climate Change Strategy which highlights many outcomes related to behaviour change which should continue to support the Council's emission targets in a positive way. Other initiatives in schools will also continue to support the Council's climate ambitions. For example, the Excelerate programme at Banff Academy will be focusing on Climate and Conservation for their project based learning in 2024. These projects are very difficult to capture in a quantitative way but experience in other behaviour change programmes such as in the public health arena, shows us that this type of strategy and initiatives will make a difference in schools and communities across Aberdeenshire.

- 3.13 An internal Sustainability Champions Programme is in place at Aberdeenshire Council. The intent is for the Champions to lead and support teams and services in understanding and aligning with the Council's various sustainability aspirations and commitments. A variety of resources and training sessions for Champions have been developed. There are currently over 30 champions in place who meet monthly for informal catch ups to discuss challenges and opportunities, sharing ideas with the occasional face to face event. The Champions also support, and are represented, on the Route Map 2030 Steering Group. It is still an aspiration to have Sustainability Champions in place across every service.
- 3.14 As mentioned in the preceding paragraphs, the Carbon Budget 2024/25 and Route Map to 2030 and Beyond relates only to Aberdeenshire Council's own emissions and not to the wider community or business emissions that relate to the area of Aberdeenshire. Work being done in the cross sector Climate Ready Aberdeenshire (CRA) network has been trying to capture this separately.
- 3.15 In addition, a new Climate Intelligence Service (CIS) is being jointly funded by Scottish Government and Scotland's 32 local authorities. It will be delivered through a partnership between the Edinburgh Climate Change Institute (ECCI), the Improvement Service (IS) and the Sustainable Scotland Network (SSN). The CIS will compliment and support work happening in the region through working with its stakeholders to co-design and deliver a programme of activities to:
- Define an agreed boundary and methodology for area-wide emissions data.
 - Procure a common data platform for Scotland.
 - Build capacity across all local authority functions.
 - Build capability in skills, knowledge, and influence.
 - Support local authorities and Scottish Government to work together to develop and deliver climate projects and programmes at the pace and scale required.

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	Learning for Life Health & Wellbeing
Our Environment	Climate Change Resilient Communities
Our Economy	Economic Growth

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	IIA attached as Appendix 5		
Children and Young People's Rights and Wellbeing	IIA attached as Appendix 5		
Climate Change and Sustainability	IIA attached as Appendix 5		
Health and Wellbeing			X
Town Centre First			X

4.3 The financial implications in reaching carbon emission reduction targets are significant and will need to be addressed and identified for the organisation as a whole. This work continues to inform the Council's Medium Term Financial Strategy. It seeks to ensure that the programme of activities and projects represent best value in how the Council helps to deliver the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019. The target of 75% by 2030 is challenging and will involve the need for considerable investment by the Council, UK and Scottish Governments and other stakeholders. The development of the Carbon Budget Toolkit back in 2021/22 has supported this by estimating, at the time, the need and amount of investment required. The Toolkit was developed to provide estimates and allow better management, prioritisation, and monitoring of projects. The toolkit is currently undergoing updates to ensure that it is setting accurate assurances of the annual costs and carbon reduction potential to deliver decarbonisation projects as there have been some significant financial changes since it was originally produced.

4.3.1 Capital investment of implementing a reduction in Aberdeenshire Council's emissions has been estimated within the Route Map 2030 and Beyond. The estimates (which were determined in 2021/22) are broken down to the level of annual investment with an estimated total at that time of £117,327,000 to reach a 75% reduction in emissions by 2030. These indicative costs focus on only current operational buildings, fleet and street lighting. It was estimated a further 10% of funding (£10,816,000) would need to be considered to cover actions in other areas where the Council reports emissions which brings the total estimated investment to £128,143,000. The Council cannot fund this work alone from its Revenue and Capital Budgets. This will require external funding for Aberdeenshire Council to achieve these ambitious targets.

4.3.2 It needs to be noted that these are still estimates based on assumptions within the Carbon Budget Toolkit which was developed alongside the Route Map 2030 and Beyond in 2021/22. Overall costs have increased since this work was initially undertaken so currently there is ongoing work to update the assumptions behind the toolkit as best as possible. Annual feasibility work for

projects and other factors such as energy costs, supply and demand of material etc will potentially significantly change the totals to be more accurate over time. Updating of the Toolkit will need to occur annually by officers across the key services. Further feasibility studies, which are currently in their final stages, will provide more detailed and robust whole life costings. In addition, there will always be some fluidity with these figures as costs behind assumptions change with current market climate, for example the current cost volatility in both the energy and construction market.

- 4.3.3 The figures in 4.3.1 do not include revenue consequences of borrowing which would now (December 2023 prices) be around £7.468 million per annum for 40 years. They do not include future revenue savings being made by some of the interventions, for example energy efficiency projects. They also do not demonstrate potential increases in future operational costs. However, the Carbon Budget Toolkit will allow for revenue implications (positive and negative) to be calculated at a project level.
- 4.3.4 Most of the Carbon Budget 2024/25 projects listed in **Appendix 2** and Tables 2 and 3 in **Appendix 3** are projects which have budget already assigned to them. However, as noted in paragraphs 3.8 and 3.9, some projects are awaiting confirmation of the final agreed Capital and Revenue Budgets for 2024-25 and finalised Capital Plan. Projects may still be amended and new ones added during 2024/25 if budgets change or additional funding opportunities become available. These will be included in the 6 monthly updates to Sustainability Committee and relevant Policy Committee.
- 4.3.5 Working towards the Council's targets will also include a general evolution of staff roles to incorporate consideration of climate change as part of the day job. In the same way that the gap in funding provision is analysed for Capital and Revenue Budgets, the recommendations in the Route Map identify a need for our organisation to analyse and fill the gaps in the numbers and skills of the people we have to deliver the extensive programme that will be required. In the next 2 to 5 year period Services and Directorates will also be asked to augment the corporate lead team on Climate Change by putting in place project specific leads. The options for funding this approach will be developed further in discussion with Directorates. This is likely to be a combination of sourcing external funding, building into the Capital Programmes of work, gaining support as part of collaborations and putting in place secondment opportunities. The core skills that so many of our people already have relating to project management, communication, budgeting and innovation will support our work across adaptation and mitigation.
- 4.3.6 This consideration of the organisational capacity will also utilise external knowledge and expertise as it develops in the industries across our area who will have a strong focus on energy transition and biodiversity. Links to the local Universities and Colleges are already good and this can be further strengthened via networks such as Opportunity North East and the Net Zero Technology Centre whilst the Developing our Youth Workforce Programme is already building in courses and programmes that will support climate change and sustainability.

4.4 An Integrated Impact Assessment (IIA) has been carried out as part of the development of the proposals set out above. It is included as **Appendix 5** and there is a positive impact as follows:

- The Carbon Budget 2024/25 identifies projects which will support a reduction in the Council's own emissions demonstrating a positive impact towards supporting action on climate change mitigation and adaptation.
- Reducing emissions from actions within the Council will support a cleaner, safer environment for children, young people, staff and residents of Aberdeenshire as well as providing opportunities for development and learning.

4.5 It is important to consider, report and accept specific risks in setting the Carbon Budget, and those currently identified are listed in **Appendix 4**. In addition, a recent internal audit highlighted the need for a more formal Carbon Budget Risk Register. This is currently under development and will be completed by May 2024. The following Risks in the [Corporate Risk Register](#) have been identified as relevant to this matter on a Corporate Level. However, it is acknowledged that working towards a 75% reduction in Council owned emissions has the potential to impact upon a number of areas across the Council risk portfolio.

- Risk ID ACORP010 as it relates to environmental challenges
- Risk ID ACORP006 as it relates to reputation management
- Risk ID ACORP001 as it relates to budget pressure

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

- Risk ID ISSR010 as it relates to Climate Change

4.5.2 By approving the Carbon Budget 2024/25 and implementing the recommendations within the Route Map 2030 and Beyond the above risks should be mitigated against with the addition of sufficient communication and engagement on the progress Aberdeenshire Council is already making with regards to climate change mitigation and adaptation. Budget pressures will require additional support. The current update to the Carbon Budget Toolkit which is underway and as its progressive understanding and use increases, projects which are most cost effective at reducing emissions can begin to be prioritised while others are developed to seek external funding opportunities.

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 Full Council is able to consider this item in terms of Section A8.1 of the List of Committee Powers in Part 2A of the Scheme of Governance as it relates to approval of the annual estimates and setting the Council budgets including Revenue, Capital, Carbon and Housing Revenue Account.

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9 February 2024

List of Appendices

- Appendix 1 - Annual Carbon Budget Requirements and Progress to Date
- Appendix 2 - Carbon Budget 2024/25
- Appendix 3 - Carbon Budget 2024/25 Identified Costs and Financial Budget Lines
- Appendix 4 - Carbon Budget 2024/25 Risks for Consideration
- Appendix 5 - Integrated Impact Assessment (IIA)