

Item: 24

Policy and Resources Committee: 19 September 2023.

Climate Change Strategy.

Report by Corporate Director for Neighbourhood Services and Infrastructure.

1. Purpose of Report

To report on progress with the Council's climate change commitments and consider proposals to support the development of the Council's Climate Change Strategy.

2. Recommendations

The Committee is invited to note:

2.1.

That the Council declared a Climate Emergency in 2019 and, through the adopted Council Plan 2023-28, has confirmed a high ambition for action on climate change and net zero, reflecting climate leadership and supportive of local economic growth and transition.

2.2.

That relevant guidance and standards concerning net zero as a climate target have matured in the last two years, and now reflect a consensus approach to the use of the term in setting clear targets for climate action.

2.3.

That achieving net zero is a clear aim for the Council and the scale of this task requires independent information to support future decision making and funding decisions.

2.4.

That clarity is required in communicating the Council's net zero commitments and strategy development.

2.5.

That the Extended Corporate Leadership Team has agreed to the establishment of a cross service Climate Change Team, with officer representation across all service areas.

2.6.

The draft timeline for progressing the Council's Climate Change Strategy, as detailed in section 7.6 of this report.

It is recommended:

2.7.

That the Council acknowledges the scale of the challenge of transitioning the Council and services to net zero, confirms its commitment to urgent action, and endorses the developing strategic approach, including initial principles and timeline.

2.8.

That the Corporate Director for Neighbourhood Services and Infrastructure should commission an independent study to identify indicative Council transition pathways towards net zero, at an estimated cost of £80,000, to be funded from the Council's Crown Estate Fund.

2.9.

That the Corporate Director for Neighbourhood Services and Infrastructure should submit, to the Policy and Resources Committee no later than March 2024, an interim vision paper on net zero, explaining the Council's ambition, transparently communicating the approach to drive short term action and delivering a route map to achieve net zero.

2.10.

That the Corporate Director for Neighbourhood Services and Infrastructure should submit a report, to the Policy and Resources Committee no later than March 2025, on the outcomes of the independent study commissioned to identify indicative Council transition pathways towards net zero.

3. Background

3.1.

On 14 May 2019, the Council declared a Climate Emergency and reaffirmed its priority with respect to working towards a carbon neutral economy. A number of subsequent statements have been made on achieving or contributing to net zero emissions, including within the new Council Plan 2023-2028. Collaborations such as in the Orkney Sustainable Energy Strategy 2017-2025 also proposed ambitious targets.

3.2.

With the concept of net-zero now increasingly central to organisational and to area-based programmes addressing the climate emergency, this report updates on some important context and developments in net zero guidance and standards, including considerations on the quality of transition claims and commitments, the use of

interim milestone targets and the role for transition pathway studies (sometimes referred to as net zero route maps).

4. International Context and Climate Change Science

4.1.

Globally, well over 2,000 Climate Emergency declarations have been made and estimates indicate that 70 - 80% of global emissions are now covered by net zero commitments. According to the Accounts Commission, 28 local authorities in Scotland have declared or recognised a Climate Emergency. Globally, the first climate emergency declaration was in 2016, but the majority followed a 2018 special report by the Intergovernmental Panel on Climate Change (IPCC), the body of world's leading climate scientists. That IPCC report demonstrated stark differences in impacts between limiting global heating to 1.5°C and 2°C, the two targets contained in the Paris agreement (2015 international treaty).

4.2.

The 2018 special report by the IPCC outlined that global emissions must be almost halved by 2030, compared with 2010 levels and then reduced to net zero by 2050 to have a chance of limiting global temperature rises to 1.5°C. Within schemes, guidance and standards for organisations seeking to achieve net zero, this principle of a global halving of emissions by 2030 has been widely adopted and applied. This is often described as a 'science aligned' net zero pathway for businesses and organisations to use in target setting. Carbon budgeting approaches are also available, such as the Tyndall Carbon Calculator for UK Local Authorities. This generates more stretching (urgent) targets. It is based on a carbon budget setting approach for local authority areas developed through the BEIS funded Setting City Area Targets and Trajectories for Emissions Reduction (SCATTER) project.

4.3.

Over a 5-year period between landmark IPCC reports, the gap between urgency and action continues, with the global picture updated in the latest March 2023 IPCC's assessment report (AR6). This is the sixth report since 1988 and given their extensive development period, could be their last synthesis report ahead of the now widely referenced 2030 target date.

5. Net Zero as a target

5.1.

The 2019 amendment to the UK's Climate Change Act 2008 set a legally binding target for the UK to reach net zero emissions by no later than 2050. The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, increased the ambition of Scotland's emissions reduction targets to net zero by 2045 and with an interim target to reduce greenhouse gas emissions by 75 per cent by 2030. Following a representation in June 2022, Environmental Standards Scotland (ESS) has launched an investigation into the effectiveness of the systems in place concerning local authorities' contribution to the delivery of climate change targets.

5.2.

There has been confusion regarding the definition and application of the target of net zero, for example when used by organisations or in collaborations. A diversity in early approaches allowed for inconsistent practice and in some cases, allegations of misleading environmental claims or 'greenwash'. Recent initiatives have sought to address these issues and a consensus has emerged, defining net zero (for organisations) as requiring a focus on the pace of emissions reduction rather than net balancing of emissions. Notable developments include the following:

- Report from the United Nation's High-Level expert group on the net zero emissions commitments of non-state entities (2022).
- The Science based targets Initiative (SBTi) Net Zero Standard – this is an increasingly adopted standard for organisations (developed by the World Resources Institute (WRI), building on the widely used GHG Protocol).
- International Organization for Standardization (ISO) – Net Zero Guidelines – International Workshop Agreement IWA 42 2022.
- UNFCCC Race to Zero – Net Zero Lexicon 2022 - Race-to-Zero-Lexicon.pdf (unfccc.int).

5.3.

A common principle across guidance and standards, is that when applied to an organisation or entity, the target of net zero shall be effectively aligned to 1.5 degrees (i.e. be consistent with the 2018 IPCC special report finding that emissions must be reduced at a pace that will halve emissions by 2030). The critical context is that the balancing of emissions is the global goal and therefore 'actors' seeking to be 'net zero aligned' will need to commit to significant and rapid emission reductions.

5.4.

Guidance published in February 2023 by the Scottish Government titled Public Bodies and Climate Change Duties – Guidance on nature-based carbon reduction projects (insetting and offsetting) and annual public bodies duties reporting, is consistent with the focus on reducing emissions. It states that; "Public bodies should have plans and demonstrable actions in place to reduce GHG emissions to as close to zero as possible, including land based GHG emissions. Offsetting and insetting must not be a replacement for such reductions".

6. Council targets and emissions reductions

6.1.

In their September 2022 report on Scottish Local Authorities, Audit Scotland note that Orkney Islands Council has a public target of 42% emission reduction by 2025 against a 2004/05 baseline. Reviewing the Sustainable Scotland Network website that lists all annual returns to the Public Bodies Climate Change Reporting Duty, it is clear that progress by the Council has been slow (approximately 18% reduction by 2021-22).

6.2.

The Council's emissions are therefore reducing slowly and below the pace required within recognised net zero aligned approaches. Regarding standards from ISO and the Science Based Targets initiative, an equivalent science aligned target for Orkney Islands Council should approximate to a reduction of around 6-7% annually (4-5% annually if commenced in 2020). The Tyndall Centre has additionally estimated science aligned reductions for all Local Authority areas using a carbon budgeting approach (this indicates that at current emission levels, Orkney would use up its entire carbon budget by 2027).

6.3.

The Council therefore has a gap between its stated ambition and the pace of its current transition. The 2030 ambition in the Council's 5-year plan, could exceed a science-based approach. However, the rate of reductions to date are not sufficient if the Council wishes to meet the targets it has set, with reductions to date clearly below all science aligned pathways.

7. Developing the Council's strategic approach

7.1.

In utilising net zero as the Council's target, an impactful and credible approach will need building, with all service areas contributing and with the Council playing its role with partners in Orkney and beyond. This developing approach will need to align with the priority themes and the core principles set out in the Council Plan. Specific principles will also be required that reflect the climate emergency and the urgency required within net zero approaches. Proposals for these initially include:

- Collaboration and Co-ordination - All Council service areas engaged and with active collaboration both internally and externally.
- Urgency and ownership - All Council services will become active in understanding their emissions and in identifying near term emission savings (potential for contributions now or in future).
- Active Planning (preparedness) - If emission savings are not possible now, then focus is required on investigating options and preparing cases for emission savings at the earliest opportunities possible.
- Transparency - The Council will be transparent in addressing the climate emergency and in the setting of both interim and longer-term targets.
- Sustainability - The Climate Change Strategy will also seek to address broader sustainability, including to understand and help address the impacts of the changing climate and supporting the developing climate change adaptation agenda for the County.

7.2.

The developing strategic approach is also an opportunity for the Council to maximise opportunities for transition from external sources (both financial and wider collaborations). All of the principles in section 7.1 above are relevant. Regarding the

principle on 'Active Planning', outline proposals will be important for feeding into external funding opportunities that will be developed and available via emergent net zero funding initiatives and also through the Orkney based Islands Centre for Net Zero.

7.3.

Achieving net zero is a clear aim for the Council and the scale of this task requires independent information to support future decision making and funding decisions (directly but also potentially for supporting external funding applications that can test and support elements of the Council's transition). An independent and fast track study is proposed to identify indicative Council transition pathways towards net-zero. This potentially can be progressed in two stages, firstly contracting an independent review of the Council's carbon baseline (aim to complete in the current financial year) and followed in early 2024, by a study to inform and identify indicative transition pathways with estimates of costs and paybacks (emission savings).

7.3.1.

It is important to note that this study will be complementary to the Council's strategic approach and should not be 'awaited'. An urgency is required as indicated given the rates of emission reductions so far (see section 6 above) and therefore the strategic approach and principles in section 7.1 above will need to be followed and developed through.

7.4.

The Extended Corporate Leadership Team has agreed to the establishment of a cross service Climate Change Team with officer representation across all service areas. All Heads of Service are supporting the current development phase, with the Climate Change Strategy Officer engaging with colleagues across services. The officer group will be formalised this year and will be chaired by the Corporate Director for Neighbourhood Services and Infrastructure.

7.5.

Clarity is required in communicating the Council's net zero commitments and strategy development. An interim vision paper (communication) should be drafted, explaining the Council's ambition and transparently communicating the approach to drive short term action, whilst also to 'route map' a pathway to net zero. The statement will position the Council to urgent action where possible (reflecting the climate emergency) whilst also investigating a science aligned pathway, which in line with best practice will require interim milestones.

7.6.

A draft timeline for progressing the Council's Climate Change Strategy is outlined below. Milestones from the Council's delivery plan are complementary and shall be aligned / integrated.

Action	Date
Internal Officer Group formed	September – October 2023
Initial strategy principles established and officer subgroups (will likely include - strategic and tactical oversight, carbon baselining and targets, communications, adaptation and resilience groups)	September – November 2023
Net Zero and Strategy Communication (draft)	September – November 2023
Agree the scope for a Council inventory as a baseline for net zero targets	Financial Year 2023/24
Baseline data for the Council's carbon inventory is evaluated and confirmed (milestone as per delivery plan)	Financial Year 2024/25
Completion of an independent report into transition pathways	September 2024
Climate change strategy and action plan approved (milestone as per delivery plan) this will need to include interim and revised net zero targets.	Financial Year 2024/25

8. Links to Council Plan

8.1.

The proposals contained in this report support and contribute to improved outcomes for communities as outlined in the Council Plan strategic priority of Growing our Economy. Priority themes in the Council Plan are built upon core principles and 'Protecting our Environment and combating Climate Change' is one of the 5 core principles. The plan states that these will guide future decision making relating to all of the Council's aims.

8.2.

The proposals in this report relate directly to Priority E1 – Net Zero and de-carbonisation through progressing actions that ensure progress towards net-zero and de-carbonisation of operations.

8.3.

The Council Delivery Plan includes a year 2 delivery milestone to approve the Council Climate Change Strategy and Action Plan (2024/25). The development of the Council climate change strategy and alignment towards a science-based net zero transition, will support the Council to meet its climate change leadership objectives and ambitious vision for net zero.

9. Links to Local Outcomes Improvement Plan

9.1.

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Local Outcomes Improvement Plan 2023-30 strategic priority of Sustainable Development which includes the following target outcomes:

- An integrated route map for the well-being economy and climate change.
- Inclusive progress towards a well-being economy focusing on climate change, fair work, and diversity.
- Measurable progress towards Orkney's target of Net zero emissions by 2030.
- An adaptation and mitigation strategy to protect our communities, habitats and wildlife from the effects of climate change.

9.2.

The development of the Council climate change strategy and alignment towards a science-based net zero transition, will support the Orkney Partnership's objectives. It will contribute towards the shared vision of what net zero will mean for Orkney and also directly contribute through the transition of the Council to become a net zero organisation.

10. Financial Implications

10.1.

Estimates for the Council specific study outlined in section 7.3 above are for a budget allocation of £80,000 over the next 18 months. The study will identify transition options for the Council and actions that can be finalised with service leads to inform and build the Net Zero route map and action plan. The funded study will be helpful to the Council in future budget setting and potentially can support external funding approaches.

10.2.

The purpose of the study and its anticipated outcomes fit well with the guiding principles agreed by the Council in December 2019 to guide future deployment of the Crown Estate revenue funds. These principles include providing support to measures that mitigate the effects of climate change, adapting to climate change, and build greater resilience to the effects of climate change and/or support the transition to a low carbon economy. It is therefore recommended that the costs associated with the study could be met from the Crown Estate Scotland net revenue allocation to the Council. At time of writing, the Crown Estate Fund had unallocated balances of £268,000.

10.3.

The formative Council Strategy will have implications on officer time and this will be the key resource required in developing approaches that will transition the Council to net zero.

11. Legal Aspects

11.1.

The Climate Change (Scotland) Act 2009 (as amended by the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019) places duties on the Council, in the exercise of its functions, to act in the way best calculated to contribute to the delivery of emissions reduction targets and any statutory climate change adaptation programme, and in a way that it considers is most sustainable.

11.2.

In accordance with the legislation passed under the 2009 Act as amended, the Council is under a duty to report annually on compliance with its climate change duties.

11.3.

The National Planning Framework 4 (NPF4) 2023 states that Local Development Plans (LDPs) must address the global climate emergency and nature crisis by ensuring that spatial strategy will reduce emissions and adapt to current and future risks of climate change by promoting nature recovery and restoration in the area.

12. Contact Officers

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