

EAST RENFREWSHIRE COUNCILCABINET10 November 2022UPDATE TO REQUIREMENTS OF CLIMATE CHANGE REPORTING**PURPOSE OF REPORT**

1. To update Cabinet on changes to the statutory requirements of the Public Bodies Climate Change Duties Annual Reporting; provide a response to the letter received from the Cabinet Secretary for Net Zero; and agree climate change targets required for the annual report.

RECOMMENDATIONS

2. Cabinet is recommended to note the requirements set out by the Cabinet Secretary for Net Zero and the Council's ability to meet these requirements, and agree the climate change targets for direct and indirect emissions required for the annual report.

BACKGROUND

3. Each November, the council is required to submit a report to Scottish Government setting out the progress it has made in contribution to the Scottish Government's target to be carbon net zero by 2045, known as the Public Bodies Climate Change Duties Annual Reporting.

4. In 2020 the Scottish Government announced these reporting requirements were to be strengthened and expanded, with the changes to take effect in November 2022. The Cabinet Secretary, Michael Matheson MSP, has written to all Council Leaders and Chief Executives to confirm these new requirements (**Appendix A**).

5. The letter sets out that in addition to information already provided in the Public Bodies Climate Change Duties report, the Council will be required to provide information on:

- A target date for achieving zero direct emissions of greenhouse gas emissions, or such other targets that demonstrate how the council is contributing to Scotland achieving its emissions reduction targets.
- Targets for reducing indirect emissions of greenhouse gasses.
- How the council will align its spending plans and use of resources to contribute to reducing emissions and delivering its emissions reduction target.
- How the council will publish, or otherwise make available, its progress to achieving its emissions reduction targets.
- What contribution the council made to helping deliver Scotland's Climate Change Adaptation Programme.

6. This report has been prepared to provide a response to the new requirements and to highlight where further work may be required by the Council.

REPORT

7. As a result of the council's work to establish a carbon baseline, and subsequent ongoing work to prepare the forthcoming Get to Zero Action Plan (GTZAP), our ability to meet the updated statutory requirements can be split into two categories: ***on track*** and ***needs consideration***.

Requirements 'on track'

8. **New requirement** - *What contribution the body has made to helping deliver Scotland's Climate Change Adaptation Programme.* **Response:**

- ERC are active members of Glasgow City Region Climate Ready Clyde adaptation programme, and are well prepared to meet these requirements.

9. **New requirement** - *Take strong action to implement Programme for Government commitments to tackle the significant new challenge of decarbonising the £13.3bn of annual public sector procurement.* **Response:**

- The Council have included supply chain emissions in the carbon baseline and action to reduce supply chain (i.e. procurement) emissions will be a feature of the forthcoming GTZAP.

Requirements 'needing consideration'

10. **New requirement** - *Set a target date for achieving zero direct emissions of greenhouse gas emissions.* **Response:**

- Direct emissions are those from gas and water supply in the Council's own buildings, and from fuel used in the Council fleet.
- The Council has yet to officially set a target for achieving zero direct emissions (i.e. no gas heating in any building). However, the Get to Zero Ambition Statement, which was agreed by Cabinet in November 2021, stated the following: "*We will be net zero by 2045 and will set appropriate interim targets*".
- A previous August 2020 Cabinet report on climate change also stated that: "*We will be net zero by 2040 and will set appropriate interim targets*". This was endorsed by the Audit & Scrutiny Committee.
- It is proposed that Cabinet approves a target for zero direct emissions by 2045.

11. **New requirement** - *Set targets for reducing indirect emissions of greenhouse gases.* **Response:**

- Indirect emissions covers: emissions from the generation of purchased electricity; business travel, gas/electricity from social housing, waste disposal/recycling/composting, and supply chain emissions from procured goods and services.
- It is proposed that Cabinet approves a target for zero indirect emissions by 2045.

12. **New requirement** – *A target to decarbonise buildings between 2024 and 2038 for all publicly-owned buildings to meet zero emission heating requirements.* **Response:**

- This further defines the requirement for a 'Zero Direct Emissions' target (Para 10) in that it specifically requires zero-emission heating (i.e. removal of natural-gas boilers). The Council does not currently have a plan in place to achieve this,

although it will be considered in actions of the GTZAP. A separate report to Cabinet will be prepared on the implications of achieving this target, once further studies into the property estate have been completed, estimated to be Q1, 2023/24.

- This target applies to all public bodies (i.e. not just Councils) and anecdotal evidence suggests many bodies will be struggling to achieve this target.

13. **New requirement** - *How the body will publish, or otherwise make available, its progress to achieving its emissions reduction targets.* **Response:**

- In the GTZ Ambition Statement (agreed by Cabinet, November 2021), it was agreed that the GTZAP will evolve and will be reviewed and carbon reduction progress will be reported to Full Council and the Scottish Government on an annual basis. This will likely meet the requirements being set out, but this will be confirmed upon publication of the GTZAP.

14. **New requirement** - *Phase out the need for fossil fuel cars and vans in the public sector fleet by 2025 and larger vehicles no later than 2030.* **Response:**

- The challenges of meeting the requirements to decarbonise the Council fleet are beginning to be understood. A paper on fleet purchasing options for the future use of vehicles is being drafted for consideration of Cabinet. It will make recommendations, which will address this requirement.
- The replacement fleet will be more expensive than the current vehicles, which will impact on capital budgets, unless new funding is made available by the Scottish Government.

15. **New requirement** - *How will the council align its spending plans and use of resources to contribute to reducing emissions and delivering its emissions reduction targets?* **Response:**

- The Council has long-established means of aligning both revenue and capital budgets with ambitions and priorities, including the Outcome Delivery Plan (ODP), annual assessment of revenue resource pressures, and assessing future capital proposals against the Council's key objectives. This is led by Directors who propose funding requests for elected members to prioritise.
- Any external ring-fenced funding received for the delivery of GTZAP actions will be used solely for those purposes. £200,000 of the Council's own reserves has been made available in a Get to Zero Fund.
- The Council has introduced a Climate Change Impact Assessment (CCIA) process recently. This will require any proposal being made to Cabinet/Committee/Council to consider the climate change impacts. It is also taking steps to include a CCIA process into the assessment of capital projects, its procurement strategies and the allocation of grant funding (e.g. Place-based investment, Regeneration Capital Grant). These processes will highlight climate impacts but are advisory with no evidence that they will influence decision-making at this stage.
- Some topics (e.g. our estate, our fleet) are recognised as requiring significant capital and revenue investment, for which the Council does not currently have full resources in place in its long-term financial strategies. These strategies will require commentary to explain how funding shortfalls might be addressed, including the need for new funding from government or other agencies, to articulate how we are aligning our spending plans with our climate targets.

- Audit Scotland reported in March 2022, that they expect public bodies to ensure all future funding and investment decisions are based on their contribution to climate change ambitions. In considering that funding should be prioritised against climate outcomes, the Council may need to consider new assessment frameworks for infrastructure and construction projects. This would build on, but likely go further than, the Climate Change Impact Assessment process that was agreed by CMT in June 2022.

FINANCE AND EFFICIENCY

16. This report highlights that there will be significant cost implications for the Council in future in relation to carbon reduction.

17. The new requirements for Public Bodies Climate Change Duties Annual Reporting can be managed by current staffing within the Get to Zero team.

18. Whilst the Council's current financial planning processes are suitable to adapt to prioritising expenditure on climate change actions, future consideration may have to be given for new assessment frameworks for infrastructure and construction projects to help demonstrate how investment decisions contribute to climate change ambitions.

19. The Capital and Revenue Funding plans, both short-term and long-term, will be required to consider the cost implications of the forthcoming GTZAP, which the current plans have made reference to.

CONSULTATION AND PARTNERSHIP WORKING

20. The report has been reviewed by the GTZ Senior Officers' Working Group.

IMPLICATIONS OF THE PROPOSAL

21. There are no legal, IT, H&S, equality or estates issues relating directly to the report.

CONCLUSIONS

22. The Scottish Government have written to public bodies outlining updated requirement they expect to be included in the annual report the Council submits to them on climate change, which is due in November 2022.

23. These requirements have been assessed and whilst some are on track to be met, others will require further consideration if the Council is to fully achieve the expected requirements.

24. The Council is required to provide information on its targets in the annual report. It is proposed that the Council approves a target of 2045 for direct and indirect emissions. Further consideration will be given to the target for zero-emission heating in properties, with a proposal for this in Q1, 2023/24.

RECOMMENDATIONS

25. Cabinet is recommended to note the requirements set out by the Cabinet Secretary for Net Zero and the Council's ability to meet these requirements, and agree the climate change targets for direct and indirect emissions, required for the annual report.

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November 2022

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Council Leaders and Chief Executives

Chairs and Chief Executives of Public Bodies

University and College Chairs and Principals

Regional Transport Partnerships Chairs and Leads

May 2022

PUBLIC BODIES' LEADERSHIP ON THE GLOBAL CLIMATE EMERGENCY

2022 is a crucial year for Scotland's unique system of mandatory annual reporting by public bodies on their statutory climate change duties. This year the reporting duties that were strengthened in 2020 come into effect, which means that for the first time, in your annual climate change reports to be submitted by the end of November, public bodies are required to provide:

- where applicable, the body's target date for achieving zero direct emissions of greenhouse gases, or such other targets that demonstrate how the body is contributing to Scotland achieving its emissions reduction targets
- where applicable, targets for reducing indirect emissions of greenhouse gases
- how the body will align its spending plans and use of resources to contribute to reducing emissions and delivering its emissions reduction targets
- how the body will publish, or otherwise make available, its progress to achieving its emissions reduction targets
- where applicable, what contribution the body has made to helping deliver Scotland's Climate Change Adaptation Programme.

I am delighted that many parts of the public sector in Scotland have already set ambitious climate change targets. Many local authorities have particularly ambitious targets, NHS Scotland, Scottish Water and Colleges Scotland all aim for net zero by 2040, the Environment and Economy Leaders Group has committed to a decade of deep decarbonisation, and Creative Scotland has set a target to become a net zero organisation by 2030.

I am also delighted that last year's response rate among public bodies required to report was excellent. It is important that we continue to have the highest possible compliance with the new reporting duties this year - we need to ensure that the entire carbon footprint of the

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public sector is covered by targets that are consistent with public bodies' leadership role and that public services are resilient to the impacts of climate change.

In ensuring that public bodies report suitably ambitious targets by end of November, Leaders, Chairs and Chief Executives will need to bear in mind the policy context that sits alongside the strengthened legislation, as set out in the Scottish Government's new guidance co-developed with Sustainable Scotland Network (SSN): [Public Sector Leadership on the Global Climate Emergency](#), published on 29 October 2021.

The *Scottish Government and Scottish Green Party Shared Policy Programme* commits to developing and agreeing through consultation a series of phased targets for the decarbonisation of public sector buildings starting in 2024, with the most difficult buildings like hospitals being decarbonised by 2038, and for all publicly-owned buildings to meet zero emission heating requirements, with a backstop of 2038.

Programme for Government commitments include phasing out the need for fossil fuel cars and vans in the public sector fleet by 2025 and larger vehicles no later than 2030.

Public sector leaders must also take strong action to implement Programme for Government commitments to tackle the significant new challenge of decarbonising the £13.3bn of annual public sector procurement.

In terms of available support, the Scottish Green Public Sector Estate Decarbonisation Scheme provides a number of support mechanisms for heat decarbonisation and improving energy efficiency across buildings owned by the public sector in Scotland. The Scheme will distribute the £200 million of capital support pledged over the next 5-year period to aid the decarbonisation of Scotland's public sector estates. Transport Scotland is also assisting the decarbonisation of the public sector fleet.

The latest analysis shows that reported Scope 1 and Scope 2 emissions from Scotland's public bodies have reduced by almost a third in the six years since mandatory reporting began in 2015-16. NHS Scotland has reduced emissions from its buildings by 64% since 1990. I am convinced if we continue to work together to address the challenges of pace, skills and finance that we undoubtedly face in the crucial decade ahead, Scotland's public sector will continue to show strong leadership in tackling the global climate emergency.

I will be addressing the Sustainable Scotland Network Spring [Conference](#) on 25 May to emphasise the importance of public sector leadership, and public bodies' climate change reporting, to Scotland's national endeavour on climate action.

Michael Matheson

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