



REPORT TO: SPECIAL MEETING OF MORAY COUNCIL ON 24 APRIL 2024

SUBJECT: NATURAL CAPITAL ENHANCEMENT OPPORTUNITIES

BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)

1. REASON FOR REPORT

- 1.1 To present the results of studies conducted to identify natural capital enhancement opportunities in Moray, and to seek the agreement of the Council to progress the opportunities identified via the local development plan and development of a suitable project delivery model.
- 1.2 This report is submitted to Council in terms of Section III (F) (33) of the Council's Scheme of Administration relating to providing, developing and monitoring the Council's Economic Development and Infrastructure Services.

2. RECOMMENDATION

2.1 It is recommended that Council:-

- (i) **considers and notes the contents of studies conducted to identify natural capital enhancement opportunities on Moray Council managed land (Appendix 1) and the wider Moray area (Appendices 2 and 3); and**
- (ii) **agrees that the opportunities identified be progressed as part of the Council's next local development plan and through development of a suitable project delivery model to be presented to and agreed by a future meeting of the Council.**

3. BACKGROUND

- 3.1 The Council has a statutory duty under the Climate Change Act (2009) to sustainably adapt to climate change and reduce carbon emissions, working towards local and national net zero targets. Increasing the level of carbon sequestered within landholdings is an important and necessary measure to achieve these aspirations, and to reduce costs to the public associated with carbon offsetting outside of the region.

- 3.2 As Planning Authority, the Council also has a statutory duty under the Town and Country Planning Act (1997) to prepare a local development plan (LDP) which takes account of the national planning framework. Under National Planning Framework 4, it is expected that LDP spatial strategies should be “designed to reduce, minimise or avoid greenhouse gas emissions” and that LDPs in general should “protect, conserve, restore and enhance biodiversity in line with the mitigation hierarchy. They should promote nature recovery and nature restoration across the development plan area, including by: facilitating the creation of nature networks and strengthening connections between them to support improved ecological connectivity; restoring degraded habitats or creating new habitats; and incorporating measures to increase biodiversity, including populations of priority species”.
- 3.3 Therefore, as part of the production of a Just Transition Masterplan, studies were conducted to report on natural capital enhancement opportunities and delivery mechanisms in Moray. Research costs to enable this were funded by the Scottish Government.
- 3.4 Natural capital is the environmental resources, habitats and ecosystems from which a flow of social, environmental and economic benefits to people can be generated. It includes air, water, minerals, soil, coast, woodland, grassland, heathland, and farmland.
- 3.5 Investing in the quality and expansion of natural capital assets can therefore realise significant benefits for people and help to tackle the twin crises of climate and nature.
- 3.6 In addition to environmental benefits, such work has the potential to deliver several economic and social benefits including job creation, improved public health and social cohesion, and enhanced tourism, recreation and educational opportunities.

4. OPPORTUNITIES WITHIN MORAY COUNCIL LANDHOLDINGS

- 4.1 A study to examine opportunities for natural capital enhancements within the Council’s landholdings was undertaken by officers in Strategic Planning and Development, based on initial research conducted by LUC (**Appendix 1**).
- 4.2 The study involved analysis of mapping data to identify a baseline and potential carbon sequestration value for council landholdings. These figures estimate how much carbon is currently removed from the atmosphere by land, and how much could be removed if further enhancements are pursued.
- 4.3 Extensive stakeholder consultation with representatives from different council services was conducted to identify key opportunities and constraints for any potential future change on sites.
- 4.4 133 hectares of land were found to be potentially suitable for change to increase carbon sequestration. The total carbon sequestered by this land is estimated to be 71 tCO_{2e} per year.

- 4.5 Two key opportunities were identified as suitable for uptake – tree and shrub planting and grassland enhancement. It is estimated that pursuing these opportunities could lead to a maximum carbon sequestration value of 1,341 tCO_{2e}. This equates to 5.2% of the Council’s existing carbon emissions.

5. OPPORTUNITIES ACROSS MORAY

- 5.1 A strategic natural capital assessment of the Moray area was conducted by LUC in collaboration with officers in Strategic Planning and Development (**Appendix 2**).
- 5.2 This study identified opportunities for enhancement, including a high-level benefit assessment and an assessment of skills requirements for undertaking the opportunities identified. Research was also undertaken to provide an overview of the carbon sequestration role of green walls and green roofs (**Appendix 3**).
- 5.3 Stakeholder engagement was undertaken on natural capital delivery mechanisms, including developer obligations, payments for ecosystem services (including carbon markets) and grant funding opportunities.
- 5.4 The study found multiple areas for enhancement across Moray across five key areas:
- Peatland restoration;
 - River flood risk and water quality management;
 - Coastal flood risk management;
 - Woodland enhancement; and
 - Agricultural land enhancement.

6. NEXT STEPS

- 6.1 The contents of the studies will be used to inform the development of the Council’s Local Development Plan 2027. Once projects are established, it will be possible to develop a procedure to obtain financial contributions towards these from developers where they evidence that net zero cannot be achieved onsite.
- 6.2 Opportunities for natural capital enhancements will be pursued in line with the Council’s Climate Change Strategy. It is recommended that a delivery model is developed to move forward projects at a range of scales. This is likely to take the form of a partnership approach to include projects which could be fully community led to maximise community buy-in.

7. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

Development of natural capital and carbon sequestration opportunities is an action of the Council’s Climate Change Strategy 2020-2030 which supports the priorities set out in the Corporate Plan.

(b) Policy and Legal

The Climate Change (Scotland) Act 2009 places a duty on public bodies to act in a way that they consider most sustainable and in the way best calculated to deliver the emission reduction targets set in the Act.

The Town and Country Planning Act (1997) places a duty on the Council to prepare a local development plan for the district which takes account of the national planning framework.

(c) Financial implications

There are no financial implications arising from this report.

(d) Risk Implications

There is a risk that the Council will be unable to meet its obligations under the Climate Change (Scotland) Act 2009 if it does not progress measures to remove carbon emissions.

There is a risk that opportunities to improve the local environment, deliver job creation, improved public health and social cohesion, and enhanced tourism, recreation and educational opportunities will not be realised if measures are not progressed and implemented within the local development plan.

(e) Staffing Implications

There are no staffing implications arising from this report. Once a delivery model is developed, this will be presented to the Council for approval along with any staffing implications.

(f) Property

There are no property implications directly arising from this report. Following development of a delivery model for natural capital enhancements, any landholdings identified as potentially suitable for change will be assessed on a case-by-case basis in collaboration with key stakeholders.

If any proposed improvements would lead to change of use of common good land then this would be subject to a statutory public consultation under S.104 of the Community Empowerment (Scotland) Act 2015 to ensure community support for the proposals.

(g) Equalities/Socio Economic Impact

There are no equalities/socio economic impacts at this stage. This will be considered and an equalities impact assessment carried out as part of the development of a delivery model for natural capital opportunities.

(h) Climate Change and Biodiversity Impacts

This proposal could help to address the climate emergency by progressing plans to sequester carbon emissions in Moray. No significant climate change or biodiversity impacts have been identified.

(i) Consultations

Consultations have been undertaken with the Depute Chief Executive (Economy, Environment and Finance), the Head of Economic Growth and Development, the Legal Services Manager, the Head of Housing and Property, the Programme Manager (Learning Estate), the Property Asset Manager, the Equal Opportunities Officer, and the Democratic Services Manager.

8. CONCLUSION

- 8.1 Significant potential exists for natural capital enhancement across Council landholdings and the wider Moray area. Progression of the opportunities identified could have numerous benefits including removal of carbon from the atmosphere, job creation, improved public health and social cohesion, and enhanced tourism, recreation and educational opportunities.**
- 8.2 The contents of the natural capital enhancement studies will be used to inform the development of the Council's Local Development Plan 2027, including on a mechanism for financial contributions towards these measures.**
- 8.3 A delivery mechanism will be developed to deliver natural capital enhancements in line with the Council's Climate Change Strategy. This is likely to take the form of a partnership approach to maximise community buy-in and would be the subject of a further report.**

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Background Papers:
Ref: SPMAN-813460984-530