



**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE
SERVICES COMMITTEE ON 15 NOVEMBER 2022**

SUBJECT: CLIMATE CHANGE STRATEGY UPDATE

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

1. REASON FOR REPORT

- 1.1 This report provides an update to Committee on actions approved within the Climate Change Strategy (CCS) for 2020-2030, consultancy studies, staffing, and next steps in order to achieve the Council's declaration of being net zero by 2030.
- 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 Committee consider and note the updates on the CCS actions.**

3. BACKGROUND

- 3.1 Climate change is arguably the biggest challenge that we face in our lifetime and for future generations. On the 27 June 2019 the Council made a Declaration which recognised that climate change is an ecological emergency, and the Council needs to take necessary actions to protect our area, country and planet (para 6 of the Minute refers).
- 3.2 In response to the commitments made in the declaration, on the 10 March 2021 (para 13 of minute refers) the Council adopted a Climate Change Strategy for 2020-2030. The strategy set a goal of the Council being carbon neutral by 2030 and that the Council, its officers and members will work with others across Moray to deliver that goal. The strategy also set out a 57 point Action Plan to assist in the progress to net zero and it was agreed to commission further consultancy reports for key actions relating to hydrogen, buildings and transport. This is required to allow the CCS to be developed to include detailed targets, costings and milestones.

- 3.3 On 6 April 2022 (para 18 of the Minute refers) the Council adopted a route map for the Council to reach net zero emissions by 2030. This noted that the current pathway the Council is on means that 2030 remains in the range of possible dates when net zero will be met. It also noted the additional budget pressure from 2023/24 onwards arising from the new statutory climate change measures for which external funding will be a major component.

4. **PROGRESS UPDATE**

- 4.1 To progress the CCS a number of actions were agreed to create a platform for change. A number of these actions are being worked up and researched before they can be developed and delivered. The phase each action is currently on is detailed in **Appendix 1** and is as follows:

Phase 1 – Scoping & Research	19
Phase 2 – Design & Developing Business Case	15
Phase 3 - Delivery	27
	61

- 4.2 Action Plan updates are reported to the Climate Change board where they are given a project status if the work is on schedule, on budget, and meeting their objectives. A red status means there are serious issues or concerns that need addressed. Projects with a red status are discussed in section 4.4. The status of the projects can be summarised as follows:

Summary of Schedule, Budget and Objectives			
Type	Green	Amber	Red
Schedule	40	9	0
Budget	34	2	2
Objectives	37	6	0

4.3 **Action Plan Progress**

Some key actions are being progressed or delivered, these include:

- Scotland's Climate Week 2022 provided an opportunity for the climate change team to work with partners internally (Energy, Sustainable Travel, and Public Transport) as well as tsiMORAY and others. Visited 5 schools and met with 600 pupils, also connecting with their teachers.
- The Moray Council Travel Plan has been updated and an internal working group has been formed to implement the Actions of the plan.
- Although delayed for 4-6 months, the NESS energy from waste plant is expected to be operational in June 2023. This will divert all of Moray's waste from landfill and reduce climate change emissions.
- Depot and Store review ongoing and Office use (Smarter Working) business case in development which will identify surplus assets and permit removal from asset base. Work continuing with public and 3rd sector partners to permit use of shared facilities. This will result in lower emissions from buildings and potentially from altered travel patterns.
- Guidance for the requirement for climate change and biodiversity information on committee papers has been published, development of

guidance for Climate Change Impact Assessment in investment decisions and capital budgeting is progressing

- Carbon Literacy Training – Training delivered in house. Two courses delivered, third set for October
- An exercise to calculate whole carbon and whole cost correlations is being trialled for a Moray Growth Deal project.

4.4 However there are a number of actions that are identified as red or amber because of resource constraints and the work not progressing on schedule. Of particular concern are the following actions.

- Action 1.1: to convert all fossil-fuel based building heating systems to low or zero carbon alternatives. While this is still in Phase 2 the design stage, there are considerable difficulties identified in securing external funding and in fluctuating material prices. An application for funding to the Just Transition Fund on behalf of Moray Council, Aberdeen City Council and Aberdeenshire Councils to commission surveys of various property types across the north east to assist in decarbonisation was unsuccessful. Officers are considering how best to undertake surveys to support decision making. In the meantime officers are developing information on assets to establish if there are any early wins possible.
 - Action 1.3: Complete Learning Estate Asset Management plan to identify opportunities for 'Heating and Power' refurbishment and implemented over next 10 years. While PassivHaus (or similar) standards are the benchmark sought in new build projects, this will incur additional costs which will be part of the options appraisal and actively reviewed by council on a case by case basis. While this standard will guarantee meeting energy efficiency targets, current buildings present significant challenges in terms of technologies and operating costs for non-fossil fuel transition without consideration of energy efficiency improvements.
- Action 2.1 Displace fossil fuelled vehicles and plant with ULEV options. Our replacement programme has slowed due to global circumstances i.e. available parts for manufacturer to build vehicles and the Ukraine war. Lead time for all trucks is approx. 24 months. We cannot progress with replacing fossil fuel trucks, large vans and pick-ups when the technology is not yet fully developed and due to the same global issues. This is not just a Moray Council problem. Cost is also a factor as an Electric vehicle can cost between 2 and 3 times that of a fossil fuel vehicle and hydrogen 4 times. This issue has to be recognised in future planning and again will be an active part of options appraisal. A report produced by the Energy Saving Trust (EST) in 2021 set out an initial overview of the need to transition and the timing of vehicle replacements that would be necessary to meet the 2030 target. This is included as Appendix 2 and will contribute to the decarbonisation strategy being produced.

4.5 Consultancy studies

The following consultancy studies are required to allow the creation of a detailed route map for the Council to reach net zero emissions.

- Hydrogen Strategy: to consider opportunities for the transition of Council owned buildings and transport fleet, associated infrastructure and opportunities for business and industry. A Hydrogen Strategy for Moray was adopted by the Council on 6 September 2022 (para 10 of the minutes refers). Feasibility studies on potential projects resulting from the strategy are being progressed with funding from the NE Just transition Fund.

- Electric Vehicle(EV) Strategy: to develop a strategy for on and off street public charging infrastructure for electric vehicles and to identify a rolling procurement programme for converting the Councils transport fleet to low emission vehicles. Work is progressing to develop the EV Strategy into a document which meets the criteria for funding applications to Scottish Government. The Strategy will include both proposals for the future sites and the approach to partnership working in Moray. The Strategy in its final draft form will go to ED&I committee for approval in February.
- Buildings Strategy: to calculate current emissions of the Council property assets and review the planned projects through the Property Asset Management Plan and the 10 year Capital Plan to create an outline plan and recommendations. Officers are developing information on assets to establish if there are any early wins possible. The results of the study are scheduled to be completed in 2022/23 although there are concerns that this might be delayed.

4.6 Just Transition Fund

Moray Council has been successful in receiving a total of £881k funding from the North East Just Transition Fund for five interlinked projects to support Moray's journey away from fossil fuel. The projects are:

- Buckie Harbour Feasibility Study - Feasibility study to expand Buckie Harbour to meet the needs of Offshore Wind companies and the existing Harbour users.
- Blackhillock Masterplan - masterplan for Blackhillock, Keith, the largest UK substation receiving power from across the North of Scotland and Offshore wind sites.
- Hydrogen Feasibility Study – feasibility work to progress the Moray Hydrogen Strategy including pilot projects and a Hydrogen Working Group.
- Carbon Offset Feasibility Study - to develop Council owned land and open space to increase Carbon Offset opportunities and biodiversity in line with a natural capital approach
- Sustainable Development Feasibility Study - the acquisition, design and development of solutions for vacant and derelict land in urban settings

4.7 Staffing

Funding of £75,000 per annum per local authority had been agreed by the Scottish Government and COSLA to progress work on Local Heat and Energy Efficiency Strategy (LHEES) for the next five years. On the 6 September 2022 (para 11 of the minutes refers) the Council agreed to appoint a LHEES Officer for the period of 5 years to deliver LHEES work and additional climate change priorities. Recruitment to the post is underway.

4.8 Governance

When the CCS was approved it noted that due to the wide scope of climate change and climate change related activities, Heads of Service will have responsibility and accountability for climate change actions and targets within their service area. However, they may delegate their responsibility to third tier managers to ensure that day to day management responsibilities are clear and that delegated decision making is undertaken at the appropriate level.

4.9 A CCS board of Heads of Service has been established to monitor and review strategic progress in delivering the action plan. This meets on a quarterly basis.

4.10 Wider Community

TsiMORAY are in talks with Scottish Government to establish a Climate Action Hub in Moray. The Climate Change Team have been assisting and if this is successful the hub will be an opportunity to progress actions

4.11 Next Steps

Additional future work includes:

- Review route map to net zero incorporating the most recent calculations of emissions from Council operations. This will be presented to Council in May 2023.
- Meet with Service Management Teams to incorporate strategy actions into individual service plans at next review point.
- Progress adaptation benchmarking process
- Develop whole life carbon accounting process for Moray Growth Deal projects.
- Determine suitability of Council properties for solar projects
- Develop a climate change communications strategy to promote behavioural change and create networking opportunities.
- Input into implementation of National Planning Framework 4 (NPF4) which is expected to be laid before Scottish Parliament in November 2022.

5. **SUMMARY OF IMPLICATIONS**

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

The CCS supports the priorities set out in the Corporate Plan and 10 Year Plan. The Council has declared a climate change emergency and the measures set out in the CCS seek to create a resilient, biodiverse, fair and more sustainable future for everyone within Moray.

The strategy is aligned to deliver the following priorities:

- Ensuring a just transition for all in the shift to a low carbon economy;
- Addressing inequalities of fuel poverty;
- Empowering individuals and communities through education and information provision to make informed choices with respect to climate change;
- Protecting and enhancing the world we live in to protect it for the future; and
- Being innovative in identifying solutions for cost reduction and income generation opportunities.

(b) Policy and Legal

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

Climate change is increasingly being embedded in all government policies ranging from Infrastructure delivery, energy policies and NPF4 and these will influence the majority of council policies moving forward.

(c) Financial implications

To achieve a position of net zero carbon emissions by 2030 will require significant capital investment for which external funding will have to be a major component. Progressing actions that are not covered by current approved plans will require additional budgetary approval through the normal process.

(d) Risk Implications

Climate change is arguably the biggest challenge that we face in our lifetime. It poses significant risks to our health, our economy, our environment, and endangers the wellbeing of future generations. There is a risk that the Council's aim of being net zero by 2030 will not be realised if the actions within the CCS are not progressed as a priority. As set out in the Route Map To Net Zero, 2025 is a decision point when it should be clearer if the ambitious target of the Council is achievable.

(e) Staffing Implications

This report has no additional staffing implications. However, workload around net zero is increasing across services and will continue to add pressures to existing workloads, especially the ability to apply for external funding.

(f) Property

Ongoing progress to decarbonise council property will impact on council housing, corporate buildings and the Learning Estate. These implications will be set out in more detail as the key actions relating to Property are progressed.

(g) Equalities/Socio Economic Impact

Tackling Climate Change will impact on every service area delivered by the Council. It has the potential to impact on Equalities for example in respect of support for active travel and fuel poverty. Delivering individual elements of the strategy will be screened and, where appropriate, assessed on their implications for equality and human rights.

(h) Climate Change and Biodiversity Impacts

All proposals will chiefly and directly support mitigation of, and adaptation to, the climate and biodiversity crisis.

(i) Consultations

Consultations have been undertaken with the Chief Executive, the Deputy Chief Executive (Economy, Environment and Finance), the Deputy Chief Executive (Education, Communities and Organisational Development), the Head of Housing & Property, the Head of Economic Growth & Development, the Head of Environmental & Commercial Services, the Chief Financial Officer, the Head of Education, the Head of Education Resources & Communities, the Head of HR, ICT & Organisational Development, the Head of Governance, Strategy & Performance, the Equalities Officer, and Lissa Rowan (Committee

Services Officer). Where comments have been received, these have been included within the report.

6. CONCLUSION

- 6.1 This report provides an update on progress on the actions identified within the CCS.**
- 6.2 Significant external capital investment will be required to decarbonise Council public buildings and fleet vehicles.**
- 6.3 An annual update of the route map to net zero incorporating the most recent calculations of emissions from Council operations will be presented May 2023.**

Author of Report: Rod Lovie, Principal Climate Change Strategy Officer

Background Papers:

Ref:

http://spman.moray.gov.uk/MANComRepDraftSite/_layouts/15/DocIdRedir.aspx?ID=SPMAN-813460984-315