

## PERTH AND KINROSS COUNCIL

## Environment, Enterprise and Infrastructure Committee

6 September 2017

## Climate Change Bill – Associated Legislation and Emerging Duties

## Report by Director (Environment)

**PURPOSE OF REPORT**

The report outlines a series of consultation documents issued by the Scottish Government during the first part of 2017. These set out the Scottish Government's proposed response to the UN Paris Agreement 2015 on climate change along with increased targets for emission reductions. The proposed legislation creates a series of additional duties on local authorities. The report highlights the potential implications for the Council, its state of readiness to respond to the new challenges and makes recommendations to facilitate the Council's response to the emerging duties.

**1. BACKGROUND / MAIN ISSUES**

- 1.1 The Climate Change (Scotland) Act 2009 <http://www.legislation.gov.uk/asp/2009/12/contents> set ambitious targets to reduce emissions by at least 80% by 2050. Following the UN Paris Agreement 2015, which has strengthened global climate change ambition and aims to keep global temperature rises this century well below 2½°C, the Scottish Government has taken the opportunity to review the targets set out in the 2009 Act.
- 1.2 Over the past 9 months, the Scottish Government has published a series of documents setting out more ambitious targets, an energy strategy, along with proposed programmes and legislation to enable the delivery of the Government's ambitions. To date the key documents are:-
- New draft Climate Change Plan (before Parliament) <http://www.gov.scot/Publications/2017/01/2768/downloads>
  - Draft Energy Strategy (consultation document) <http://www.gov.scot/Publications/2017/01/3414/0>
  - Scotland's Energy Efficiency Programme (SEEP) (consultation document) <http://www.gov.scot/Publications/2017/01/2195/0>
  - Onshore Wind Policy Statement (consultation document) <http://www.gov.scot/Publications/2017/01/7344/0>
  - Energy Efficiency Strategies and Regulation of District Heating (consultation document) <http://www.gov.scot/Publications/2017/01/9139/0>
  - Climate Change Bill (consultation document) <http://www.gov.scot/Publications/2017/06/8208/0>

- 1.3 The following sections outline some of the key targets, opportunities and the role of local government in the co-delivery of the Scottish Government's ambitions.

### **Climate Change Bill Consultation Paper - June 2017**

- 1.4 The Ministerial forward to the consultation document notes that Scotland continues to outperform the UK in delivering long term reductions in emissions. Indeed, in Western Europe, only Sweden and Finland have done better. It also notes that the low carbon and renewable energy economy supports over 58,000 jobs in Scotland and generates over £10 billion in turnover.
- 1.5 The international view is, however, that more needs to be done, as evidenced in the UN Paris Agreement 2015. In response to this, the consultation paper proposes new and more stringent targets for 2050. The Scottish Government proposes to increase the ambition of the 2050 target from 80% to 90% greenhouse gas emission reduction from the 1990 baseline. The Scottish Government also proposes a series of increased interim targets for 2020 to at least 56%, as well as to set new interim targets for at least 66% in 2030 and at least 78% in 2040.
- 1.6 While the new Climate Change Act will establish the targets, it is the series of associated legislation, plans and programmes, discussed below, which indicate how the Scottish Government envisage these targets will be met along with the challenges for local government.

### **Delivering the Climate Change Targets**

- 1.7 The Climate Change Plan is the overarching document which sets out the more detailed targets and highlights the strategy and measures required to achieve them.
- 1.8 The critical role of local authorities in achieving these ambitions is recognised. As such, the Scottish Government indicate they will continue to work with local government to empower councils to meet local challenges so that they can continue to make a valued contribution to Scottish targets, policies and proposals. The draft plan sets out the current position, along with the ambition and proposals to achieve the targets in each of the energy sectors.
- 1.9 The remaining documents set out, in greater detail, the means of achieving the targets, the proposed new legislation and the new duties for local authorities in the delivery of the climate change targets. The Scottish Government recognise the significant funding issues that go with their aspiration and have a commitment to long term funding of £500 million through the Scottish Energy Efficiency Programme (SEEP). The bullet points below highlight some of the key new duties.

## **Key New Duties**

- Key role for land use planning in energy planning
- A statutory requirement for local authorities to prepare Local Heat and Energy Efficiency Strategies (LHEES)
- Develop a framework and delivery programme to reduce the energy demand and decarbonise the heat supply of buildings in its area
- The identification of area-based zoning for district heating
- Granting of concessions by local authorities for district heating networks; licensing of district heating networks
- Consumer protection within district heating schemes
- Monitoring and enforcement functions to ensure that both domestic and non-domestic buildings achieve the required standards
- Maintaining through their development plan policies, a supportive framework to allow further wind generation in appropriate locations
- Supporting shared ownership of renewables and energy systems by communities.

The fundamental shift in emphasis is that local authorities will take on duties to plan for, deliver and regulate energy efficiency and energy use in both the private and public sector. To date, councils' obligations have largely related to their own use of energy.

- 1.10 Overall, the Energy Strategy was welcomed by COSLA and Perth and Kinross Council officers. However, there are concerns over resources and the need for a meaningful partnership between local and national government to link local ambitions and policies with national targets/frameworks.

### **Activity to date by Perth & Kinross Council**

- 1.11 The Council are signatories to the Climate Change Declaration and the Community Plan/Single Outcome Agreement has a target to annually reduce the Council's carbon emissions until 2022/23. In addition, the Corporate Plan has an objective to 'decrease the carbon footprint within Perth and Kinross by reducing the carbon emissions from our organisation and in the community'.
- 1.12 Our last Climate Change Report to Scottish Government (2016) noted that there is:
- No dedicated detailed plan for reducing and monitoring the Perth & Kinross Council carbon emissions and footprint
  - A need to develop a low carbon working group remit and reporting structure
  - A need to develop a climate change adaptation strategy and risk assessment
  - No strategic mechanism for communicating and raising awareness of adaptation and mitigation, either internally or externally

1.13 Despite the above comments, there is a considerable amount of good and innovative work progressing including:-

- Officer Low Carbon Working Group formed to co-ordinate work
- Tay District Heating Network feasibility work
- Energy Efficiency measures in council stock
- Bio-mass boilers in schools
- Electric Vehicle Charging Points
- Hydrogen Hub - PKC bid for ERDF funding (Awaiting City Deal match funding)
- SEEP Pathfinder 2 project with Scottish Cities Alliance (SCA) exploring LHEES methodology
- Supplementary Guidance on Renewable and Low Carbon Energy (including a spatial framework for wind, hydro and solar)
- Working with SCA to develop standard district heat policy framework
- Tay Cities Deal work on Regional Energy Service Company (ESCO)
- Identification of prime opportunity areas for District Heating

1.14 In addition to the activities and projects above, a number of other plans, policies and strategies are contributing to the climate change agenda including; work on the Local Development Plan, Air Quality Action Plan, Perth Transport Futures Project, Council property energy strategy and the Tayside waste strategy. These strategies will contribute to one or more of the following agendas:-

- Carbon reduction
- Climate change resilience
- Energy security
- Fuel poverty
- Air quality
- Value for Money (including social costs)
- Wider environmental benefit

1.15 To date, Perth & Kinross Council has benefited from a variety of EU, UK and Scottish funding sources and support mechanisms in developing the projects listed above. However, there has been limited capacity to access all the potential opportunities which have been available.

## **2. PROPOSALS**

2.1 As highlighted above, there is the opportunity to access the Scottish Government SEEP funding of £500M. There is also a significant amount of EU funding underspend £400M, although there is a limited timescale for this. In addition, officers are working with the Scottish Cities Alliance and Tay Cities Deal.

As indicated, the capacity to maximise these opportunities has been limited by available staff resources and the ability to match fund through both the revenue and capital budget. However, as with all issues, there is the requirement to prioritise work undertaken given the many priorities facing the Council.

- 2.2 The sections above highlight significant additional duties for local government in delivering the Scottish Government's Climate Change agenda. The most significant of these is the duty to prepare and implement the Local Heat and Energy Efficiency Plans, together with the requirements around the identification and operation of concessions for district heating.
- 2.3 From officer involvement in both the work of the Scottish Cities Alliance, Low Carbon Working Group and the COSLA / Scottish Government SEEP Reference Group, all Scottish local authorities are currently examining how they will address the emerging duties. Benchmarking will continue to share knowledge and potential opportunities.
- 2.4 It is clear from the recent consultations and the Ministerial statements that proposals will come forward in new legislation over the next two parliamentary years. In preparing for the future, Perth & Kinross Council requires to address a number of key issues:-
  - maximising the potential contribution of current work by ensuring that activity across all the Council's functions is aligned
  - Creating a corporate group to drive forward the emerging Climate Change Agenda
  - Assessing the full resource implications of the emerging legislation and duties and the funding opportunities available
  - Preparing and implementing a plan to deliver the new duties and address skill shortages and gaps
- 2.5 The following actions are proposed to enable the Council to maximise its contribution to the Climate Change Agenda and prepare for the emerging additional duties.
  - 2.5.1 The establishment of a cross service Project Board chaired by the Director (Environment) to :-
    - develop and co-ordinate a sustainability framework ensuring the alignment of all relevant plans, programmes and policies in the climate change, low carbon, energy planning, air quality, transport planning and land use planning fields
    - make, and co-ordinate, recommendations to ensure the Council's readiness to address emerging legislation

2.5.2 This will be based on work undertaken to:-

- Identify the current state of play in meeting our obligations
- Assess the resources required to deliver on emerging duties
- Assess the funding opportunities
- Identify the best structural model for delivery
- Define the deliverable benefits
- Examine opportunities for shared resources between Councils and community planning partners, not limited to TAY Plan partners
- Prepare a business case and project plan for the delivery of the strategy and the emerging duties

2.5.3 This work will also require engagement with elected members to consider the Council's response and readiness to address the new Climate Change duties.

### 3. CONCLUSION AND RECOMMENDATIONS

3.1 There is much good work going on across the Council. However, there is a requirement to maximise opportunities through an overarching strategy and seeking out available resources.

3.2 The report, therefore, puts forward a series of proposals to maximise the contribution to the Climate Change agenda of the Councils current work and to enable the Council to be well placed to deliver on emerging duties.

3.3 It is recommended that the Committee:

- (i) requests the Director (Environment) to establish and chair a cross Council Project Board to oversee, develop and co-ordinate a sustainability framework.
- (ii) requests the Director (Environment) to engage with elected members during the development of the sustainability framework.
- (iii) requests the Director (Environment) to bring back a report outlining proposals to deal with new legislation and duties to support the Scottish Government's Climate Change agenda.

#### Author

Name	Designation	Contact Details
Peter Marshall	Strategy & Policy Manager	01738 475000 <a href="mailto:TESCommitteeReports@pkc.gov.uk">TESCommitteeReports@pkc.gov.uk</a>

#### Approved

Name	Designation	Date
Barbara Renton	Director (Environment)	19 July 2017

If you or someone you know would like a copy of this document in another language or format, (on occasion, only a summary of the document will be provided in translation), this can be arranged by contacting the Customer Service Centre on 01738 475000.

You can also send us a text message on 07824 498145.

All Council Services can offer a telephone translation facility.

## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan / Single Outcome Agreement	<b>Yes</b>
Corporate Plan	<b>Yes</b>
<b>Resource Implications</b>	
Financial	<b>None</b>
Workforce	<b>None</b>
Asset Management (land, property, IST)	<b>None</b>
<b>Assessments</b>	
Equality Impact Assessment	<b>None</b>
Strategic Environmental Assessment	<b>None</b>
Sustainability (community, economic, environmental)	<b>None</b>
Legal and Governance	<b>Yes</b>
Risk	<b>No</b>
<b>Consultation</b>	
Internal	<b>Yes</b>
External	<b>No</b>
<b>Communication</b>	
Communications Plan	<b>No</b>

### 1. Strategic Implications

#### Community Plan / Single Outcome Agreement

1.1 The purpose of this report to improve the improve the councils delivery of the Perth and Kinross Community Plan / Single Outcome Agreement in terms

- (iii) Promoting a prosperous, inclusive and sustainable economy
- (v) Creating a safe and sustainable place for future generations

#### Corporate Plan

1.2 The purpose of this report to improve the improve the councils delivery of the Perth and Kinross Community Plan / Single Outcome Agreement in terms

- (iii) Promoting a prosperous, inclusive and sustainable economy
- (v) Creating a safe and sustainable place for future generations

### 2. Resource Implications

#### Financial

2.1 Financial implication to be contained within the Environment Service revenue budget.



### Workforce

2.2 None.

### Asset Management (land, property, IT)

2.3 None.

## **3. Assessments**

3.1 The report analyses the implications of proposed Scottish Government legislation and has been the subject of assessment by the Scottish Government

### Sustainability

3.2 The report analyses the implications of proposed Scottish Government legislation and has been the subject of assessment by the Scottish Government

### Legal and Governance

3.3 The Head of Legal and Governance and the Head of Democratic Services have been consulted in the preparation of the report.

### Risk

3.4 None.

## **4. Consultation**

### Internal

4.1 The Heads of Democratic Services, Finance, Property and Legal and Governance have been consulted in the preparation of this report.

### External

4.2 None.

## **5. Communication**

5.1 None.

## **2. BACKGROUND PAPERS**

2.1 To be Completed.

## **3. APPENDICES**

3.1 None.