

# Net Zero, Energy and Transport Committee

## 24<sup>th</sup> Meeting, 2022 (Session 6), Tuesday 20 September 2022

### Evidence session on the role of local government and its cross-sectoral partners in financing and delivering a net-zero Scotland

#### Note by the clerk

#### Introduction

1. In November 2021, the Net Zero, Energy and Transport Committee launched an inquiry into [the role of local government and its cross-sectoral partners in financing and delivering a net-zero Scotland](#).
2. This inquiry aims to seek out the main barriers at a local level to Scotland reaching its target of being net zero in emissions by 2045. It will consider what practical steps councils are taking to break them down, in partnership with business, the voluntary sector, and local communities. It is also considering—
  - what role the Scottish Government and its agencies can play in both supporting and, where necessary, challenging local government to work well with its partners to deliver net zero
  - how local government can play its part in ensuring a “just transition” to net zero, i.e. one that is economically and socially fair.
3. The Committee launched this inquiry with an open [Call for Views](#), posing 12 questions.
4. It has taken evidence at eleven Committee meetings so far—
  - On 11 January, the Committee heard from representatives of five different local authorities with different net zero policies and priorities. [The Official Report for this meeting is here](#).
  - On 18 January, the Committee heard from the Sustainable Scotland Network, and community groups on the local route to net zero. [The Official Report is here](#).
  - On 25 January, the Committee heard from representatives of the business and private investment sectors. [The Official Report is here](#).
  - On 22 March, the Committee heard from a panel on the role of the planning system in helping reaching net zero and a panel on skills and vocational training. [The Official Report is here](#).

- On 29 March, the Committee heard more evidence on the theme of vocational skills and workforce readiness. [The Official Report is here.](#)
- On 3 May, the Committee heard from a panel of transport experts on the role of local authorities in helping to decarbonise transport. [The Official Report is here.](#)
- On 17 May, the Committee heard from an expert panel discussing the decarbonisation of heat in buildings. [The Official Report is here.](#)
- On 24 May, the Committee discussed local government’s role in sustaining and promoting renewables with industry and local government representatives. [The Official report is here.](#)
- On 31 May, the Committee heard from the “Green City” of Freiburg, to learn what steps it had taken to make itself a world leader amongst local authorities in its approach to sustainable low-carbon living. [The Official Report is here.](#)
- On 14 June the Committee discussed how housebuilding could contribute better to net zero goals. [The Official Report is here.](#)
- On 21 June, the Committee heard from a co-financing panel how local authorities can secure private investment in projects to deliver the transition to net zero. It also discussed with a panel of experts on the natural environment how councils use nature-based solutions to meet climate change and biodiversity targets, including consideration of best practice. [The Official Report is here.](#)

## Key themes at 20 September meeting

5. On 20 September 2022, the Committee will take evidence from two panels—

- Panel 1 (local government experts)
  - Andrew Burns, Member, Accounts Commission
  - Louise Marix Evans, Director, Quantum Strategy & Technology
  - Stephen Smellie, Vice Convener, UNISON Scotland
- Panel 2 (local government leaders)
  - David Hammond, Representative of Society of Local Authority Chief Executives and Senior Managers (Solace) and Head of Sustainability, Corporate Property & Transport, North Ayrshire Council
  - Silke Isbrand, Policy Manager, Environment and Economy Team, Convention of Scottish Local Authorities (COSLA)
  - Councillor Gail MacGregor, COSLA Spokesperson, Environment and Economy, Dumfries and Galloway Council

6. The following written submissions have been received in advance of the meeting—

- The Accounts Commission shared their report: ‘[Scotland's councils' approach to addressing climate change](#)’, published 8 September 2022
- [Submission from Louise Marix Evans](#), 7 September 2022 (Available in [Annexe A](#))

7. The following responded to the Committee’s call for views in January—

- Accounts Commission – [view the response](#) (Available in [Annexe B](#))
  - Convention of Scottish Local Authorities (COSLA) – [view the response](#) (Available in [Annexe C](#))
8. Finally, a summary of relevant correspondence with COSLA is listed below—
- [Letter from the Convener](#) to the COSLA President, 8 June 2022 (Available in [Annexe D](#)) and the [response received on 17 June 2022](#)
  - [Written submission from COSLA](#), 7 September 2022 (Available in [Annexe E](#))

## Next steps

9. The Committee will hold a further evidence session with the Scottish Government and expects to produce a report by the end of 2022.

## ANNEXE A

### Submission from Louise Marix Evans to the Net Zero, Energy and Transport Committee. 7 September 2022

#### Introduction

This is my response to the invitation to give evidence to the Net Zero, Energy and Transport Committee into the role of local government and its cross-sectoral partners in financing and delivering a net-zero Scotland. I have been asked to address the following:

In these closing stages of evidence-taking, the Committee now wishes to focus on the strengths and weaknesses of local government itself as an institution, and whether it is sufficiently empowered to help bring about a net-zero Scotland. This applies both to its role in relation to an employer, contractor and property owner, and in relation to its capacity to enable and catalyse positive change within its own area. It wishes to learn about challenges, how these can be mitigated both by local authorities working alone, but also when partnering with one another or through Scottish Government support.

#### Background

I am a sustainability consultant, a Director of Quantum Strategy & Technology since 2014, and have supported local authorities in their role to mitigate and adapt to climate change over the last 20 years.

Recent relevant reports include:

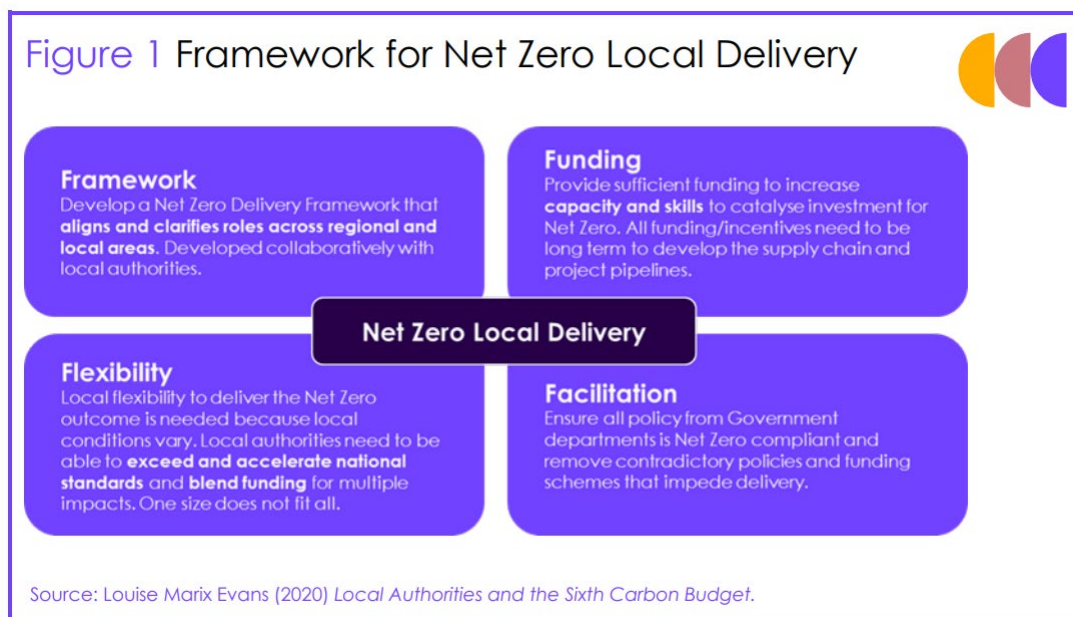
- 2022: Doing it All: Integrating Net Zero, Climate Resilience, Public Health and Inclusive Growth into Mainstream Economic Development for the Inclusive Growth Network (this network includes Glasgow City Council and North Ayrshire)
- 2021: Powershift: Research into Local Authority Powers relating to climate change for UK100 (this report focuses on the powers of English local authorities, which differ a little to those in Scotland, although many issues are the same)
- 2021: Rural Net Zero: The Role of Local Authorities in Reaching Net Zero for the Countryside Climate Network (this is an English network; but the evidence is relevant for sparsely populated, rural and semi-rural local authorities)
- 2021: Research into a National - Local Net Zero Delivery Framework for UK100 (referenced in the UK Net Zero Strategy; this project drew on experience from Scotland to suggest a framework for UK Government, Devolved Administrations, Regional and Local Authorities in partnering in a framework for Net Zero delivery, including interviews and workshops with councils and organisations supporting them in Scotland).

In 2020 I was contracted as a Senior Advisor to the Climate Change Committee, advising on the role of local authorities and the Sixth Carbon Budget (see: Local Authorities and the Sixth Carbon Budget) and in 2022 returned to support the Climate Conversation visits by CCC committee and secretariat members to ten local areas in

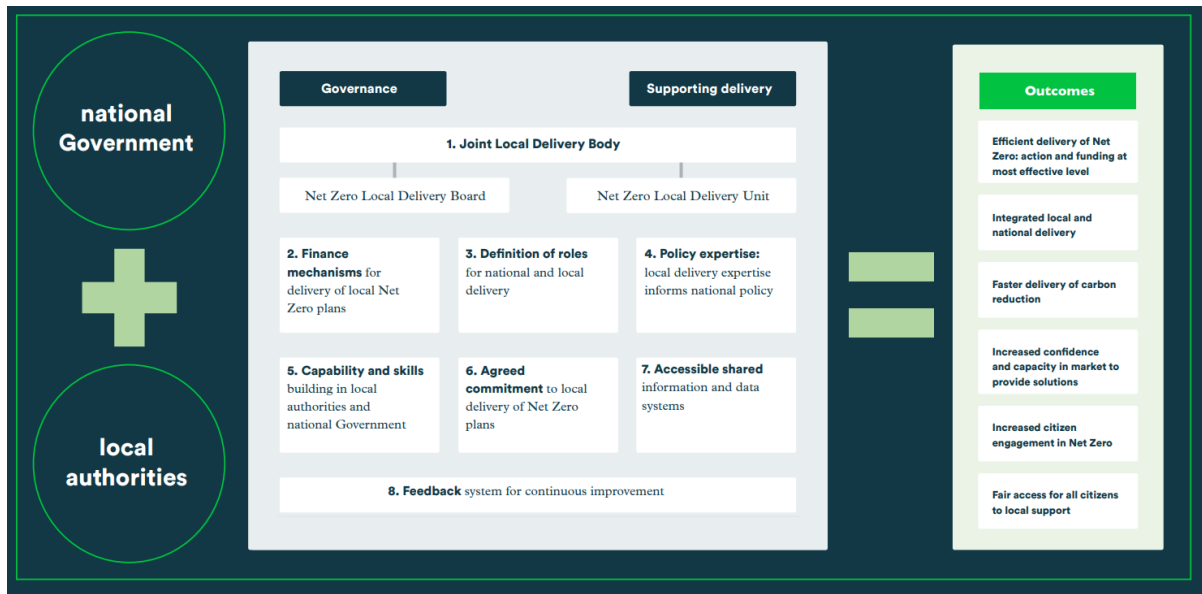
the UK to understand delivery at the local level, covering the strengths and challenges. These visits included a visit to Dundee, hosted by the Dundee Climate Partnership and Dundee City Council (see: Climate Conversation: Delivering a Net Zero, Climate Resilient UK).

I am an expert on the local authority role in delivering Net Zero and climate adaptation, but am not an expert on Scottish local authorities in as much detail as my English knowledge because the challenges faced by English and NI local authorities have been greater than those faced in Scotland. However, I have reviewed the evidence base from my previous projects, including interviews, questionnaires and data relating to Scotland, in order to ensure that I provide evidence based views to the Committee.

Overall, my view, and that of many other organisations is that national, regional and local coordination is urgently needed to deliver Net Zero. A framework for this relationship is required, to ensure local capacity is increased, that funding and policy are longer-term and more certain, and that policy contradictions are removed. This was recommended in my CCC 2020 report on Local Authorities and the Sixth Carbon Budget, and reiterate in the Climate Conversation report. See below.



In 2021 we further developed what a national-regional-local framework should be, for UK100, working with many stakeholders. This was referenced in the UK's Net Zero Strategy, but so far only a Local Net Zero Forum has been established. Scotland could readily put in place such a framework to manage the partnership between national, regional and local government, and this would respond to the challenges faced by local authorities in delivering Net Zero. See below.



This evidence is submitted as an individual, not representing a particular client organisation. Due to time constraints this is presented as a set of notes, rather than a formal report.

## Evidence

This is presented in two sections:

1. Strengths and Weaknesses of local government in helping deliver a Net Zero Scotland – own role/enabling role/catalysing role.
2. Challenges & mitigation: working alone, in partnership with other local authorities and in partnership with the Scottish Government.

Strengths and Weaknesses of local government in helping deliver a Net Zero Scotland – own role/enabling role/catalysing role.

### Strengths:

**Ambition and commitment:** many local authorities have declared climate emergencies and put in place renewed action plans in light of this. The leadership and commitment is an important step towards ensuring the wider council is able to act on climate change as an organisation, as an enabler and convener or catalyst.

**Emissions reporting:** Councils have climate action plans and emissions monitoring and reporting in place, at least for their own estate and operations, in part due to the duty placed on them from the outset by the Scottish Climate Act 2009, and through the Public Sectors Climate Change Reporting requirements.

**Capacity:** Capacity varies across local authorities and each has strengths and weaknesses; capability is inconsistent between local authorities as each has its own priorities. Dundee has strong skills for example, in design, build and operation of a low carbon (GSHP) heat network at the Regional Performance Centre for Sport funded by the council and Scottish Government’s Low Carbon Infrastructure Transition Programme; Glasgow has built up capabilities in adaptation and low carbon economy,

some smaller councils are less well resourced and therefore have fewer skills available to tackle climate change as the Committee will have heard through evidence submitted.

Political commitment: There is strong commitment from many elected members to tackling climate change.

Embedding Net Zero: Some leading councils are starting to integrate Net Zero (and climate adaptation) into overall strategies. For example, Glasgow City Council has integrated Net Zero and adaptation into its overall economic development strategy and appointed experienced and knowledgeable staff into its economic development team to deliver green growth. This also provides additional capacity to the seven other local authorities in the partnership of Glasgow City Region.

Strategic Partnerships: Some councils have developed partnerships with other councils, and/or with key local anchor organisations including universities, other public sector, social housing, large employers, water and energy distribution operators, arts and community organisations which supports their enabling and catalysing role and enables community engagement. E.g. Dundee Climate Leadership Group, Edinburgh Climate Commission.

Delivery partnerships: Some councils are working in partnership with private sector contractors to build low carbon heat networks, such as Glasgow and West Dumbartonshire. Councils also work with Energy Saving Trust, and Scottish Government through HEEPs, and with DNO SSEN on EV charging and Scottish Transport for public transport; other partnerships include regeneration and development, such as the Dundee City Council investment in the Michelin Scotland Innovation Parc.

Commitment to local people – fair transition: the awareness of fuel poverty, economic and health inequalities and practical challenges people face was apparent in meeting the housing and buildings team at Dundee City Council – there was technical and financial capacity and a willingness to pull together a patchwork of different funding streams to try to tackle energy efficiency in housing. Local authorities have front-line staff who know their local communities, and understand the practical housing and transport issues that higher level policy-makers may not be aware of. Glasgow City Region's economic development strategy is built on the experience of the suffering and economic and health inequalities caused by industrial decline in the 1980s aiming for low carbon green growth that benefits everyone and mitigates the decline of existing high carbon jobs.

Innovation: where councils have used innovation funding they have been able to deliver ahead of the market, as seen in Dundee, where the council has in place several large-scale EV charging stations. In turn this has enabled them to support infrastructure for E-intercity bus transport, with Ember, a coach operator. Innovation funding and pilot projects need support to scale beyond their initial success however, an issue also seen in England.

## Weaknesses:

Silo working: Councils are only now starting to integrate Net Zero into overall place or economic strategies and capacity and political buy in is not guaranteed across all councils. This then means that directorates' strategies may not put Net Zero at their centre, which gives rise to some areas of councils locking in emissions through their decisions and investments, while other directorates are trying to deliver Net Zero. This is the same situation in England.

Short term funding settlements and the need to balance budgets annually can lead to finance teams taking decisions based on capital expenditure rather than whole life costs. My experience is that when a Finance Director or Treasurer understands climate change and Net Zero including some of the longer term decisions that need to be taken about investments, they are more able to support the integration of Net Zero delivery into council business. Making Net Zero a screening check for spending decisions would remove the dilemma faced between short term spending pressures and long term benefits.

Procurement norms and capacity: until Net Zero is firmly embedded across all council directorates and budgets and finance decisions are aligned to Net Zero, procurement – including commissioning and purchasing can fail to meet its potential in supporting delivery and the wider transition of the supply chain to Net Zero. Reliance on social value or environmental clauses and weighting does not deliver sufficiently because cost has the greater weighting. Making Net Zero outcomes part of the project specification is more likely to deliver, and this needs a change in the perception of procurement rules, national procurement guidance and support to build procurement skills and capacity. A focus on the supply of local manufacturing and supply chains through regional commitments is needed to give low carbon suppliers the confidence to invest.

Local development planning: Scottish local authorities, like English local planning authorities, report problems with the National Planning Framework and Building Regulations which are not robust enough to support Net Zero. The ability to require high energy efficiency standards and renewables in new developments is held back by the developer making viability arguments, and the threat of appeal. Greater technical capacity in planning teams is needed to deliver on the energy and building decarbonisation challenge. Glasgow City Council has brought forward Supplementary planning guidance on Resource Management that requires high standards of energy efficiency and renewable energy and provides for some flexibility during the transition to 'Gold Standard'.

Funding and staffing: Councils report finance and staffing constraints. They generally do not have spare capacity to address the tight reporting requirements of funding streams, a sense of firefighting and short-term improvisation was apparent, so as in England, local authorities have to be ready to jump on funding coming forward and deliver it rapidly, which holds back the development of the supply chain and a well-sequenced and logical plan. However, this comment refers back to a the first point above, if a council has embedded Net Zero seriously across all departments, including key areas such as economic development, procurement, housing and transport,



existing staff are then able to act. That is not to say that resource constraints are not very real, and new initiatives coming forward from the Scottish Government need to ensure resources and capacity are supported as additional burdens, but local authorities can lever more people to deliver if they take a more holistic view on Net Zero.

Climate risk: does not feature strongly enough in corporate risk registers, this then holds back business case development for greater investment in reducing emissions and building climate resilience.

Powers and regulation: councils and social housing providers have a problem caused by rental levels, whereby rent remains set despite significant investment in energy efficiency or low carbon heating in buildings owned by council or social housing providers. This makes it difficult to invest in energy efficiency measures due to an inability to recoup costs from energy savings by residents. VAT on refurbishment additionally is a barrier, pushing up costs. Social Housing providers report having to hold lending covenants which ties up funds that could be spent on environmental and energy efficiency measures for residents.

Politics: despite many elected Members' commitments to tackling climate change and delivering a just transition, short term political pressures and changes in political trends can derail progress at the local level, with immense pressure put on Members. A framework for Net Zero delivery and focus on the just transition with effective local engagement and deliberative democratic processes can mitigate this, so all politicians are aligned and Members feel supported regardless of political affiliation.

**Challenges & mitigation: working alone, in partnership with other local authorities and in partnership with the Scottish Government.**

Funding: there is varied capacity to search for new funding being made available at short notice. This is also reported by English local authorities. Longer term more flexible funding is needed to plan and sequence the investments required for the transition to Net Zero. This also in turn provides greater certainty to leverage private investment and to build confidence in the supply chain and related training investment. These issues can be mitigated by providing longer term, flexible funding that can be more easily blended with other funds and finance as long as key outcomes are delivered; by working more closely to provide advance notice and support for local authorities to access funding, through COSLA or SSN; and closer working between the UK and Scottish governments on aligning funding streams. Longer term funding is also needed for community action to sustain local groups which are critical to maintaining diversity and inclusion for climate justice.

Finance: local authorities want to be able to develop new business models and innovation, however some are held back by a lack of capacity and capability. Through its membership of Core Cities, Glasgow City Council is participating in national schemes such as the Cities Climate Investment Commission (3ci) and it has

appointed a Green Economy Manager within its economic development team to take forward the Glasgow Green Deal, recruiting new staff to build financial capacity.

**Budgeting:** Annual budgets (discussed in section 1 above) and accounts rules in local authorities are listed as a weakness; however this can be mitigated by multi-year funding settlements and secure funding over time for delivery programmes; setting up Invest to Save schemes; borrowing for investments on low carbon or zero carbon capital expenditure with revenue savings servicing interest and capital repayments over time.

**Vision:** some local authorities report the lack of a long term coherent national vision for what the future Net Zero economy will look like, and what structural economic changes will support this. This in turn holds back (some) local areas from developing such a vision themselves. This is particularly the case for the use of hydrogen and the future of the gas grid. Similarly, future route maps for zero emissions ability is needed from Government to provide companies with the confidence to invest and innovate. By contrast, in Glasgow City Region the city council is taking a lead on developing such an economic vision within the wider city region - taking the other seven local authorities with it.

**Vision, direction and data:** Action and targets come from the Climate Change Plan and are also generated by local authorities. Some report having good data on their own estate, but lacking data on privately owned properties. More levers are apparently needed from the Scottish Government, including on taxation and regulation.

**Support:** Feedback from local authorities is that the Sustainable Scotland Network is extremely valuable to them, also enabling them to carry out networking. The Improvement Service is also an important source of local authority support. The Scottish Energy Officers Network (SEON) and COSLA were also mentioned as important for support. It is important to note that these networks and organisations are themselves working closely together, notably through the SSN Steering Group that also has representatives from the wider public sector (NHS, further and higher education, and national bodies).

**Partnerships:** Some local authorities are members of UK-wide support networks or partnership networks, for example, UK100 members include: City of Edinburgh Council, East Ayrshire, Glasgow City Council, and a councillor from Edinburgh City Council is participating in their Climate Leadership Academy this autumn; Glasgow City Council is a member of Core Cities and Edinburgh a member of PCAN Cities, giving access to UK wide research and peer support. The Scottish Cities Alliance also brings key cities together on issues including Climate Action, Hydrogen and Investment. The Climate Emergency Response Group comprises many organisations from the private, public and voluntary sectors, including SOLACE Scotland.

**Silo working:** in Scottish Government presents a barrier to local authorities that are breaking down their own silos; both national and local government need to be able to support system-level transformation which cannot be achieved with silo-working. Local authorities report that civil servants change roles regularly – which means that valuable experience of working with local authorities is lost and relationships have to

be built up again. A formal mechanism to bring national, regional and local government together (as we see in Wales) may be useful; England is looking at such a Forum, through the Local Net Zero Forum. Additionally, silos between government, regional organisations and local authorities mean that local best efforts to deliver modal shift and lower carbon travel can be held back “we need to connect up and have broader national infrastructure and that’s not in our control, we can’t drive it”. There are discussions within the SSN Steering Group, linked to SOLACE Scotland and NHS Scotland leadership, about how a reenergised and refocused public sector leadership process and structure could be established. The new SSN Strategy seeks to deliver such alignment.

Investment ahead of need: in terms of infrastructure and skills, investment in advance of need will be required. An example is how skills providers meet future industry demand, when industry contracts are often issued at short notice. Similarly, investment in infrastructure is challenging when the regulated companies all have different control periods which do not align to support local energy planning. Place based approaches to energy, perhaps through LHEES, with co-designed investment that works for people and at a systems level, and that is correctly sequenced to minimise disruption and maximise certainty is required.

Working well: examples I’ve heard of Scottish Government and local authorities working well together include the Home Energy Efficiency Programme – a nationally supported and funded scheme, with a local role that can be adjusted for local context and supply chain. Work on skills with Transport Scotland and Scotland Offshore Wind Council to align with industry groups and government funded training.

Regional working: The Glasgow City Region partnership holds the potential to deliver transformative change towards Net Zero, as the labour, transport and Land Use Planning operate regionally, covering eight local authorities. Support for regional bodies to add capacity to local authorities and focus investment and engagement at the right geography is important – but without losing sight of the role of the local authority which has that local accountability and engagement role.

As Scotland looks to renew its Climate Change Plan and aim towards delivering challenging targets particularly on building heat and transport, working with its local authorities and regional bodies to achieve people-first, systems-level change that delivers at all governance levels, is key.

## ANNEXE B

### Response from the Accounts Commission – initial call for views

‘Council planning, decision-making and capacity in relation to net zero’

#### **How effective are councils at strategic planning, budgeting, and making procurement decisions that align with net zero goals? If there are barriers, what are they?**

“The Commission welcomes the opportunity to respond to the consultation paper.

In January 2021, the Commission, in conjunction with the Auditor General for Scotland (AGS) agreed to develop a new approach to auditing climate change. Our aim is to increase the prominence of climate change across our audit work by integrating climate change considerations into existing audit activity (e.g. our national overview reports of local government and our more in-depth Best Value work in councils and integration joint boards) and producing specific audit outputs (e.g. briefings and national performance audits) on key climate-related topics.

This builds on the Commission's current work in this area, for example, our Local Government Overview 2021 includes a case study on North Ayrshire Council's Community Wealth Building project (Case Study 4). The 2022 Overview will comment further on climate change activities. Our recent Best Value Assurance Reports also include details of councils' approaches to tackling climate change, for example Aberdeenshire and South Ayrshire's carbon budgeting p.30 and p.33 respectively); Aberdeen City's Net Zero Vision and route map (p17); and Edinburgh City's Sustainability Programme and work with the European Institute of Innovation and Technology (Case study 1, p11-12). North Ayrshire's proactive and ambitious approach is also detailed in its BVAR Report (Case study 1, p11).

This enhanced approach recognises the key role that the public sector in Scotland, including local government, has to play in ensuring a pathway to net zero by 2045 and adapting to climate change. In June 2021, as a first step in taking forward that collective commitment, the AGS published a blog Making climate change an audit priority. This sets out the challenges for the public sector in tackling climate change and the role audit could play in this.

In July 2021, the Commission and Audit Scotland held a climate change 'round table' event with key stakeholders from across Scotland including representatives from local government. The purpose of this event was to raise awareness of our interest in climate change with stakeholders, inform our future audit work in this area and ensure we added value to existing scrutiny arrangements. Discussion at the round table, and other stakeholders, has guided our work plans.

Concerns that climate change ambitions might not be backed by solid plans, confusion about net zero targets, a lack of focus on adaptation and the need for strong leadership were all highlighted by the round table as key areas for further audit scrutiny. These issues were also raised as areas of concern at the UN Climate Change Conference COP26, held in Glasgow 31st October to 12th November 2021. A

summary of the roundtable and implications for our audit work was published (here).

We are continuing to develop our plans in this area and are considering a specific audit output focusing on local government climate change ambitions and activities, to be published in Spring 2022. While we are still determining the scope of this work, areas we are considering include councils' targets and plans for reducing emissions, reaching net-zero and for increasing climate resilience through adaptation. The extent to which these ambitions are integrated into strategic decision-making is also being considered as an area for review.

The Commission would be happy to keep the Committee informed as our scope develops and audit findings emerge.”

## ANNEXE C

### Response from the Convention of Scottish Local Authorities (COSLA) – initial call for views

‘Council planning, decision-making and capacity in relation to net zero’

**How effective are councils at strategic planning, budgeting, and making procurement decisions that align with net zero goals? If there are barriers, what are they?**

#### Introduction

1. As the political voice of Scotland’s 32 Local Authorities, COSLA is delighted to respond to the Committee’s inquiry and would be happy to provide further verbal evidence later in the Committee’s consideration.
2. We live in a time of crisis. Tackling the climate crisis in a just way will require an unprecedented level of change to both the economy and society. Local Government is part of the democratic fabric of Scotland and must, therefore, play a full role guiding the changes to come. Local Government is committed to the Just Transition, but we need support. It is fact that Local Authorities do not have the resources at our disposal which are required to meet the multiple decarbonisation challenges. We recognise that few, if any, Governments across the world have the correct resources in place, but in Scotland we have set our selves a high bar. The 2030 target is extremely stretching – as it should be – but its delivery requires urgent and consistent progress in the months and years to come. As we, perhaps, tentatively exit the pandemic, and we evaluate the recent budget settlement we must ask if Local Government is being equipped to meet this target? The answer we must arrive at is, unfortunately, no. Local Government in Scotland is an ally of anyone who wishes to tackle climate change justly. We are therefore an ally on Scottish and UK Governments on this issue. However, at a time of an unprecedented challenge, we should not be surprised that we need to go beyond the usual level of investment in a sector which is so critical to delivery. As a result, we hope the focus of the Committee is on reaching a cross party-political consensus that Local Government needs more help if it’s to play the role on decarbonisation that Scotland needs.

#### Key message

- Local Government is committed to a Just Transition and delivery of the 2030 and 2045 targets. The successful delivery of the targets will be put at risk if Local Government is not properly resourced. Individual programme or project funding is not adequate and not effective in addressing the many interlinked issues and challenges. Local Government needs un-ringfenced and more flexible revenue and capital – in addition to funding allocated through national programmes - which it can invest in local projects and programmes

- We need to ensure we have the right skills in place within Local Government, especially in sectors that will face the biggest changes e.g. transport and heat decarbonisation.
- Local Government is part of the democratic fabric of Scotland and will have a key role to play in local leadership. Behaviours change and working with local people through our democratic structures will be central to delivering results that may otherwise be unachievable. This critical role needs also to be recognised at the national level as Local Government needs to work in partnership with Scottish Government on all aspects of the Just Transition.
- Urgent delivery is now critical. We need to make progress on emission reduction on a month-to-month basis or the targets will be at risk.

## General

3. Local Government is committed to delivering a Just Transition to a Net Zero Economy. Many Local Authorities, urban and rural, have declared target dates for net zero well ahead of the national 2045 date. We said to Scottish Parliament last year that the Just Transition won't be delivered without a strong local delivery and democratic leadership, and we stand by this message.
4. The political commitment by Local Government is in place, and we now need to look at how Local Government is equipped in terms of funding, skills and in the legal framework that it operates, or we will likely miss the 2030 target. If we miss the 2030 target, then we are in danger of contributing to overshooting the 1.5 degrees centigrade target.
5. We cannot underestimate how important the next few years will be to the longer-term targets. Decisions which may normally be taken within years will need to be taken quicker. We need to be able to take risks, because doing nothing or not enough is likely to be a bigger mistake in the long run. We need a strong political consensus that Local Government needs to be resourced to achieve our Just Transition goals and this consensus must hold during what is likely to be a challenging period of time over the course of this Parliament.
6. The Paris protocol, and therefore by extension the COP 26 agreement, recognises that action by local/regional government and at the local level is critical to reducing climate change. Having been the host country for COP 26 we have an opportunity to demonstrate best practice in how Local and Scottish Government work together.
7. Local Authorities are pursuing a wide range of innovative action/approaches locally - see COSLA COP26 Case Study Collection, but to deliver at scale Councils need the resources, especially revenue, to invest in skills and programme development. Councils can't just be reliant on Scottish and UK grant funding if we wish to make the progress we want to achieve, but need the capacity in terms of money and skills to act independently, but in a complementary way, to national programmes.
8. We know resources are tight for all Governments and the anticipated cost of implementing carbon reduction is significant. We need to have a clear understanding of the roles and outcomes that are expected of Local Government in the Climate Change Plan, and how these are to be resourced. Equally we need

national targets to be based on local experience, and a meaningful dialogue as to what is achievable with given resources.

9. We need to find ways at the national level to take away the risk faced by Council in delivering innovative programmes. This risk is both financial, so can be mitigated by further investments, but also political. This links to the need for a strong political consensus at the national level which will allow Councils at the local level to tackle challenging issues like behaviour change, for example reducing car usage.
10. We also need to be watchful of the impact of other policy changes on Councils' ability to invest in Net Zero programmes that nationalise services currently undertaken by Councils. A smaller Local Government has less financial clout to meet the climate emergency challenge.
11. Overall, good partnership working between Local and Scottish Government, especially input into early national policy design, is key to successful climate action. This currently varies significantly across Scottish Government departmental areas. In some there is good partnership, with jointly funded posts and joint policy fora that allow for early, meaningful effective joint policy design, based on national ambition, and underpinned by expertise on the ground in service delivery. With the size of Scotland, this is an important and exceptional opportunity for having national climate policy design that is well-informed by service delivery and local knowledge, and therefore effective.
12. We are keen to design a joint approach with Scottish Government on the delivery of a Just Transition which recognises the vital role played by Local Government. We want to be able to harness the new JT Commission to provide advice which is relevant to both Local and Scottish Government and we are in active discussions here.
13. Some key questions we put to test the above include:
  - The extent to which national policy and strategy is evidence led, informed by (local) delivery expertise and whether there is sufficient evaluation of the interventions that have been tried;
  - Whether Scottish Government funding is properly aligned to the outcomes that are being sought;
  - Conflicts between different national policy aims, becoming evident at the local level;
  - The need for a true, whole-system approach;
  - The role of and expertise that local government brings to the sector;
  - The importance of investment in communications and behaviour change at local and national level;
  - The impact of change and uncertainty on achieving the outcomes;
  - Access by Local Authorities to knowledge sharing/good practice beyond Scotland, especially after cessation of EU funded programmes and networks for Scotland.
14. Much of the funding landscape in carbon reduction is still dominated by Scottish Government challenge funds. These are unhelpful and expend a disproportionate



amount of resources in bidding for and assessing submissions. Finance that recognises the additional costs of achieving the outcomes supported by expertise and a national overview would result in better value for money and quicker implementation. Multi-annual frameworks are crucial for planning, strategic use of resources and effective spend. In some areas we see a move by Scottish Government to joint design of these, which is preferable and acknowledged. However, this still falls short of what is required.

15. Local Government in Scotland is involved in a wide range of areas that are of relevance for Scotland's net zero ambition. Some specific issues are highlighted below.

## **Transport**

16. Transport is Scotland largest source of greenhouse gas emissions. If we do not make deep cuts by 2030, especially in emissions from vehicles, we will fail on our net zero goal. Local Authorities are already doing extensive and often innovative work with limited budgets to encourage a reduction in transport emissions, from delivering active travel infrastructure, growing the EV charging network, decarbonising their fleets, or supporting the local public transport network.
17. The key challenges lie in embedding behaviour change; creating favourable conditions for needs to be met as locally as possible and for journeys to be shorter; making sustainable travel affordable and accessible in line with Just Transition principles.
18. COSLA and the Scottish Government have worked jointly to develop a route map for a 20% car km reduction by 2030. COSLA Leaders acknowledged in August 2021 that the current level of car use is unsustainable. They agreed that Local Government should show commitment to local action to deliver sustainable and fair car use reduction, recognising that some car journeys will continue to be essential, especially in rural and remote areas.
19. While we are committed to the target, we are also conscious that without increased investment, Local Government's ability to contribute to its realisation will be seriously limited. This very much applies to all other sustainable transport policy areas too (i.e. EVs, public transport). Local Authorities' strongest levers are in terms of capital and revenue allocation, as well as their ability to help influence behaviour change locally. We strongly need adequate resource (both capital and revenue) and to move away from one-year funding allocations (e.g. active travel funding). We also have concerns with lack of staff resource/skills locally and available expertise to deliver (e.g. active travel schemes).

## **Planning**

20. Planning and place making is an important tool in the Just Transition. We must look at ways at enabling planning to make this contribution to decarbonisation. The National Planning Framework 4 (NPF4) presents us with the opportunity to put a just transition to net zero at the heart of planning decisions but requires strong policies to make delivery of these ambitions possible. We look forward to giving

evidence on NPF 4 in the near future. As we argue throughout this submission, Local Authorities need to be equipped financially to meet the multiple challenges posed by climate change. Planning is no different. While we have long argued for full cost recovery for planning fees, the realisation that we need to rapidly up the pace of decarbonisation is likely to put pressure on the already stretched planning systems. Planning contribution to tackling climate change needs a renewed focus at the national level and, we argue, should be on the agenda for the High-Level Group, which is co-chaired between COSLA and Scottish Government.

## **Waste and Circular Economy**

21. This is another policy area that is key to carbon reduction. We are actively discussing policy options and effective use of resources through the Joint Scottish/Local Government Waste Policy Forum that is designed to look at current and future policy initiatives, aimed at improving waste management, reducing residual waste, increasing recycling, and developing the circular economy.
22. Current challenges experienced and discussed in this forum include the need for a stable legislative basis so that Local Authorities can implement effective solutions. An example of contradictory policy direction here is the recently announced incineration review which is likely to impact on market confidence for new Energy from Waste plants, which are currently the cornerstone for meeting the Landfill Ban. While Local Authorities are committed to the waste hierarchy and determined to reduce overall waste volumes and increase recycling and reuse, there are currently no viable alternatives in place that would allow the timely meeting of the Landfill Ban.
23. These services and the supporting infrastructure facilities require long term certainty given the complexity, cost, and lead times. Investment cost, uncertainty, lack of economies of scale (particularly in rural areas) and existing contracts are some of the challenges for achieving significantly improved outcomes.
24. We need to grow the trust and respect to evolve challenge funds into more strategic, flexible, and more effective financing structures. The Recycling Improvement Fund was designed jointly by Scottish and Local Government and Zero Waste Scotland, which is an important and significant step in the right direction. We are clear that future allocations of funding, such as for example obtained through Extended Producer Responsibility will need to go directly to Local Authorities and enable strategic change.
25. The expertise of local government in this field is significant, we have the ability to bring a local systems approach to solutions if we are given the freedom, flexibility and funding to do so. More emphasis must be placed on communications and behaviour change and there is a need to look at the whole system that impacts on waste, especially for developing a circular economy which requires a platform of businesses with the ability to use specific recycled materials. Local Authority waste specialists and their professional associations bring considerable expertise and to the table and facilitate sharing and developing partnership and best practice. This allows for a sensible equilibrium between designing services based on local

opportunities/challenges on the one hand, and a certain level of consistency across the country, to encourage consistent citizen behaviour.

## **Energy/Heat**

26. Alongside decarbonising transport, this is the sector which will present the greatest challenge. The Scottish Government's Heat in Building Strategy lays out this challenge:

By 2030 emissions from homes and buildings will have to fall by 68% against 2020 levels. This requires:

- Very significant progress toward all homes reaching EPC C
- The vast majority of the 170,000 off-gas homes on fossil fuels switching to zero emissions heat
- At least 1 million on-gas homes switching to zero emissions alternatives
- The equivalent of 50,000 non-domestic buildings switching to zero emissions alternatives.

27. This is a vast undertaking which needs to be considered a national mission if it is to be achieved. COSLA Leaders are committed here, Local Government has rich experience of delivering on energy efficiency programmes in the past and we have good expertise to draw upon, but as we stand, we do not know how the target will be delivered successfully.

28. Local Heat and Energy Efficiency Strategies (LHEES) will form part of the solution and are an active area of work for COSLA and Scottish Government. Local Authorities have a wealth of knowledge and experience of LHEES from the extensive pilot programmes and we are working to produce a framework for introducing these on a statutory footing, but this will only be successful in decarbonising heat if Local Authorities are properly resourced and have the skills in place to make the physical changes to buildings required.

29. In energy policy, more so than in others, important levers for implementing change lie not just at the Scottish but the UK level, but also significantly with energy providers/networks. Projects for renewable energy have, for example, been struggling with grid connection, which is also an important issue for EV charging infrastructure.

## **Europe/International**

30. COSLA has always been very active at the European and international level, though its membership of European bodies and networks. COSLA worked closely with the wider Local Government constituency, to encourage the UK COP26 Presidency to build on the recognition of local/regional government in the Paris protocol and introduce specific references to Local Government and multilevel partnership working in the draft deal. We are pleased that this was eventually successful and now multilevel and collaborative action has been included in the preamble of the final text of the Glasgow Climate Pact.

31. The inclusion of multilevel and collaborative action is a major success, as it is considered that a stronger reference to regional and local governments in the international framework for climate change will encourage national governments to work in partnership to deliver climate action, therefore meeting the climate commitments made at COPs and supporting the 1.5 degrees centigrade goal.
32. The Glasgow Climate Pact also urges Parties to ensure meaningful youth participation and representation in local decision-making processes, to further integrate adaptation into local planning and to take an integrated approach to local policy and planning decisions in protecting ecosystems.
33. We believe that the Scottish Government now needs to actively embrace and engage with the Paris and Glasgow COP principles and empower Local Government in Scotland to deliver on carbon reduction in line with their own ambitious targets, and in line with national targets.

## ANNEXE D

## Letter from the Convener, Net Zero, Energy and Transport Committee to the Convention of Scottish Local Authorities (COSLA), 8 June 2022

Councillor Alison Evison  
President  
Convention of Scottish Local  
Authorities (COSLA)

***By email only***

Dear President,

**Inquiry into the role of local government and its cross-sectoral partners in financing and delivering a net-zero Scotland**

We are now moving into the closing stages of evidence-taking in this wide-ranging inquiry. We are grateful to COSLA for their early engagement with us on this work and for providing a written submission in response to our call for views. I also put on record our thanks to the staff and elected Members of local authorities who have been assisting us during our recent programme of inquiry-related visits, demonstrating how local government is responding positively and with enthusiasm to the daunting challenge of net zero.

We also look forward to our evidence session with you at a Committee meeting after the summer recess. (The clerks will be in touch in due course to propose a date.)

A number of important issues have been raised over the course of evidence-taking, and the Committee recently agreed that I should write to COSLA to request more information on some of these. We would be most grateful if COSLA could make use of its networks and contacts across Scotland's 32 local authorities to collate a sector-wide response on the following questions:

1. The Committee would welcome information on how many councils employ officers whose main role is expressly to lead and coordinate the council's drive to achieve net zero;
2. The number of, and seniority of, such officers within the council administration (appreciating that this answer may vary across councils);
3. Whether most councils now have a "net zero committee" or equivalent, whose main role is to drive forward net zero policy at a political and policy-making level, or are in the process of forming such a committee after recent elections;
4. Data (covering 5 or 10 years if possible) as to trends in council budgets for their planning departments, along with any further information that may put this in

context. It would also be helpful to have data and information as to trends in the staffing of council planning departments and on whether there are any recent signs of abatement in the downward staffing trajectory that was raised in the context of recent scrutiny of the fourth national planning framework. Does local government have a view on whether treating planning as a STEM subject in higher and further education would help in making it a more attractive career?

5. Whether councils feel they have the right balance of skills and experience in planning and other departments to enable them to make key decisions at points in the planning process that are fully “net zero” aware? Could more be done in training planners or in their continuing professional development to enable these skillsets?
6. Views from councils on where the main causes of delay within the planning system appear to lie in relation to developments that could have a positive net zero impact (e.g. renewables projects): is there a particular point in the process where delays tend to occur or a most commonly occurring reason for such developments being delayed?
7. What expertise exists within local authorities to provide energy efficiency advice and support to homeowners. Are there councils with officers who offer or who have previously offered this service?
8. Whether councils have started to compile a database of the domestic dwellings and non-domestic buildings that will require to be retro-fitted and prepared for decarbonised heating in order to meet the 2030 Heat in Buildings strategy.

I expect COSLA will have been following evidence-taking during the inquiry and you are, of course, welcome to provide further information or commentary in relation to any other matter to have arisen so far over the inquiry’s course that you think may be of use to us and help us prepare for remaining evidence sessions.

It would be helpful to have a reply by Monday 22 August.

## ANNEXE E

### Submission from the Convention of Scottish Local Authorities (COSLA) to the Net Zero, Energy and Transport Committee, 7 September 2022

COSLA is grateful for the opportunity to contribute to the Committee's inquiry into the role of Local Government and its cross-sectoral partners in financing and delivering a net-zero Scotland. This is a vital area of work for Scottish Local Government. Local Government and COSLA are fully committed to a Just Transition to Net Zero by no later than 2045. At COSLA this aim is embedded in all areas of policy development, including transport, planning and waste.

We are going to respond to your letter of 8 June but for the purpose of attending the committee on 20 September we wanted to make some key points which go to the heart of the inquiry. This submission is intended to complement the information which we provided to the Committee in December 2021.

#### Key Points

- **Local Government is committed to delivering a Just Transition to a Net Zero Economy.**
- **We cannot be confident that we are on a pathway to delivering the 2030 target. This must now be our focus.**
- **Reductions in the core grant to Local Government has reduced the capacity of Local Authorities to deal with the climate emergency.**
- **Further investment in Local Authority capacity is therefore essential.**
- **We also need greater coordination at the national level between Local and Scottish Government on delivering the Just Transition.**
- **We also need to more clearly understand the skills gaps which exist and use data more effectively to support decision making**

#### Context

COSLA is clear that successive reports by the Climate Change Committee and others have evidenced a gap in the pace of emission reduction compared to legislative targets. In short, at the current pace, Scotland is not on a pathway to achieve the 2030 target set out in the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019. To make the 2030 target more achievable we will need to increase the pace of delivery considerably in order to make further, deep cuts in emissions this decade. This will require greater coordination between local and Scottish Government and further investment. The effects of climate change have also been brought home as a result of the recent extreme temperatures across the UK and other parts of the world. We are clear that more needs to be done to help increase the pace of delivery to better meet the worsening challenge of the climate emergency.

#### COSLA Position

Leaders met on 26 August and updated COSLA's position on the climate emergency. Leaders agreed the following:

- That COSLA recognises that the pace of delivery on decarbonisation must increase significantly if we are to meet 2030 legislative target, but notes these targets are being made difficult to meet due to continued cuts to Local Authority core funding.
- That this will require enhanced coordination between Local and Scottish Government as well as the investment of new resources, similar to the work done through the pandemic, and remedial work to address many years of Local Government funding cuts, and that we pursue this further as a matter of urgency with Scottish Government.
- That we work with partners on the proposal for a Local Authority Climate Intelligence Service to better support area wide emission reduction and local decision making;
- That we need to foster deeper collaboration between local authorities to address the skills gap in this area; and
- That these and related points be made in COSLA evidence to the upcoming Net Zero, Energy and Transport Committee and that further reports be brought back in the near future on COSLA's ongoing work on climate change.

Our short term goal is to enhance coordination between local and Scottish Government at the national level. This goal is in line with the recommendation made by the Climate Emergency Response Group in their recent report to unify the local and Scottish Government response to the climate emergency. COSLA recognises that there are multiple societal and economic challenges which arise from the pressing need to rapidly reduce emissions this decade and that this requires a new posture from Government more aligned to the challenge we face. We are suggesting that there should be increased cooperation between Local and Scottish Government on all aspects of a Just Transition, and that a mechanism should be developed by which we can better manage the multiple decarbonisation challenges that we face, and their impact on the economy and society. This coordination is made more urgent as we simultaneously grapple with the rising cost of living and the worsening climate emergency. This idea is rooted in the pragmatic way in which Local and Scottish Government worked during the early stages of the pandemic, with the idea of balancing the economic, emission reduction and societal impacts of the net zero transition in a similar way to the four harms approach during the pandemic. This proposal will not eliminate the challenges - which are discussed further below - faced by Local Authorities but may offer solutions and practical ways ahead that we are currently missing.

### **The Challenges that Local Government faces in Scotland.**

We are clear that no level of government across the UK has the correct resources in place to meet the climate challenge. There is no doubt that additional resource is required to make a difference, especially in the most challenging sectors, such as heat decarbonisation and transport, but also to reinforce the general capabilities of Local Government to handle multiple decarbonisation challenges.

The key challenges faced by local authorities in achieving net zero carbon targets, as we see them, are as follows:

- **Finance and flexibility** - Fundamentally net-zero has a price tag which is not being currently met. Cuts to Local Authorities core budget present a major



problem. This is exacerbated by the lack of flexibility of funding which arises when resource are channelled to specific policies, which reduces flexibility within the general revenue grant to Local Government. COSLA recognises that national funded policies are important and are part of the mix of interventions which area required, but Councils also need flexible resource which they are can use locally to develop their own projects and programmes. The channelling of resource via challenge or bid funds is particular issue, as the development of bids will have a resource cost for Local Authorities. We argue that Local Authorities need fewer, but larger and more flexible funding streams which they can use locally to meet different challenges. Given the urgency arising from climate change, Local Authorities must focus on high carbon sectors which are frequently the most challenging . Within the key national themes and envelopes (transport, heat, land use and agriculture etc), the mix of these looks very different at the local level. The more flexibility there is in Local Authorities' resources, the easier, and hence quicker, it is to effect change and utilise co-benefits.

- **Alignment of policy and spend** – We need to maximise budgets and lever in external funding to achieve net zero carbon ambition. Local Authorities need support and resources to develop investable opportunities and to enable work with Scottish and UK Government, private sector and other stakeholders to identify solutions. This is where core funding to Local Government is essential. As an example, there is a good level of ambition for low/zero carbon new builds and the retrofitting of existing buildings, however value engineering due to rising costs (including inflationary pressures) tends to see the removal or reduction of low carbon measures due to their cost. We need a sustainable investment model for retrofitting at scale (domestic and non-domestic) that can leverage in private investment. This will require leadership and collaboration at a national scale to deliver.
- **Behavioural change** – Substantial behaviour change is an absolute prerequisite for achieving net zero, be it in transport (reducing travel demand management), waste (recycling/ reduction) or heat/cooling requirements for both non-domestic and domestic buildings and assets. We need a step change in sustained national communications programmes and encourage communities and businesses to adopt lower carbon behaviours. The coordination of national messaging is one aspect where greater coordination between Local and Scottish Government could be very beneficial.
- **National infrastructure** – The lead in time for grid connections and cost to connect even for relatively small scale generation projects is prohibitive. A new or significantly revised model for anticipating grid requirements and investing accordingly is required. This will require greater engagement with the UK Government and its agencies.
- **National public sector frameworks** – There needs to be more flexibility in the current systems and contractual set-ups under which Local Authorities are purchasing electricity from the national grid. There are significant opportunities for Local Authorities to generate their own energy through renewable energy schemes on their own estate, for example by running solar farms on landfill

sites. Central to the delivery of municipal renewable energy generation projects is financial viability, and this is hindered by the current systems and contractual set-ups with the national energy suppliers.

- **Skills** – A sector wide skills mapping exercise is required to understand what skills exists already, what will be required in the future, and what options there are to stimulate the skills pipeline required. The ability to fund, recruit and retain the skills is necessary. We need to significantly upskill the workforce and increase their levels of expert resource to plan, develop, lead and drive change at the scale and pace required to reach the net zero targets. Emerging technologies such as hydrogen, for example, require expert knowledge, as is the case in many other areas.
- **Data/Baselining**- There are numerous standards for sustainability reporting and there are differences between private and public organisations (purpose, motivation and responsibilities) which impact the way sustainability reporting is conducted. We need a consistent approach to collation, reporting and monitoring of emissions and welcome the high level findings of the recent climate intelligence service work undertaken by ECCI, which offer a way to support Local Authorities with area based emission reduction plans.
- **Energy efficiency/Decarbonisation**- Delivery of net-zero needs to be a cross-sector, system wide approach. Some solutions need to be more nationally led, including with the private sector (e.g. diverting gas infrastructure to hydrogen, EV charging) in order to make a significant contribution to the main sources of emissions at scale and pace. There are supply chain barriers too (cost, availability and understanding of technology) which need national solutions/incentives to overcome.
- **Community empowerment and leadership** – We must ensure that communities can actively participate in climate action planning and delivery, including energy reduction, energy efficiency and renewable energy projects, land use or consumer behaviour, to name but a few. Sustainable and scalable community empowerment support is required.
- **Communications/Engagement**- The role of communications is important to help communities and business/industry (SMEs) understand their roles, their potential and responsibilities to reduce their emissions.

We would also like to highlight that net zero policy cannot be seen in isolation to climate adaptation and Nature Based Solutions (NBS). COSLA was one of the organisations highlighting early that the threat to our biodiversity is an integral part of climate change. Technological solutions to carbon reduction are clearly vital but we understand that not every carbon reduction intervention has a positive impact on reversing the decline in biodiversity, yet interventions to address the loss of biodiversity generally tend to have positive impacts on carbon reduction. The potential for co-benefits is considerable. In policy terms we need to increasingly view climate change and biodiversity loss as two aspects of the same emergency.

Scottish councils are actively driving forward policy and practice on both climate change and biodiversity, most notably through signing the Edinburgh Declaration, reporting on the public body 'biodiversity duty' and ongoing support for Local Biodiversity Action Plans and Local Biodiversity Action Partnerships. It is critical to recognise the benefits of integrating nature into local planning, management and government and the importance of placemaking and place-based approaches to do so.

With their natural focus on place, Local Authorities are critical to developing practical Nature-based Solutions to climate change, biodiversity loss and other socio-economic outcomes and public goods. Well-designed and implemented Nature-based Solutions provide benefits for people and are central to tackling environmental challenges such as climate change, biodiversity loss, air pollution and flooding.

### **Conclusion**

The challenges involved in addressing climate change are complex, and Local Authorities are doing so in the context of reducing finance and resources, rising costs and a cost of living crisis experienced by its citizens.

Respect for all levels of government is at the heart of mobilising and utilising the limited resources we have. However, we are clear that further, additional investment in Local Government is essential or we will continue to put at risk the 2030 and later targets. With only approximately one hundred months until the end of 2030 when the interim target must be met, Local Authorities need the freedom and flexibility to invest and make changes where we can make the biggest gains.

Local Government in Scotland can only make the level of contribution that is required to meet our national targets, if it is empowered, resourced and supported to do so. This was one of the guiding principles of the Paris Protocol and continued in following COPs, including COP 26 in Glasgow.

We look forward to appearing at an evidence session before the Committee and to expand on the points made in this submission.