

## Submission to the Net Zero, Energy and Transport Committee in advance of giving evidence on 13 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.

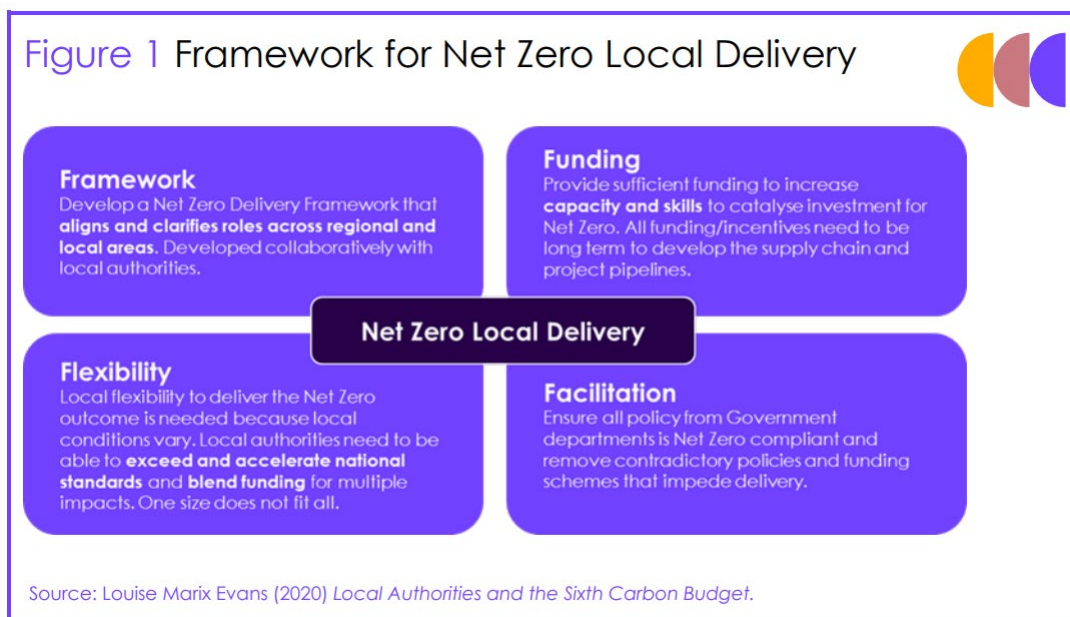
Recent relevant reports include:

- 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).

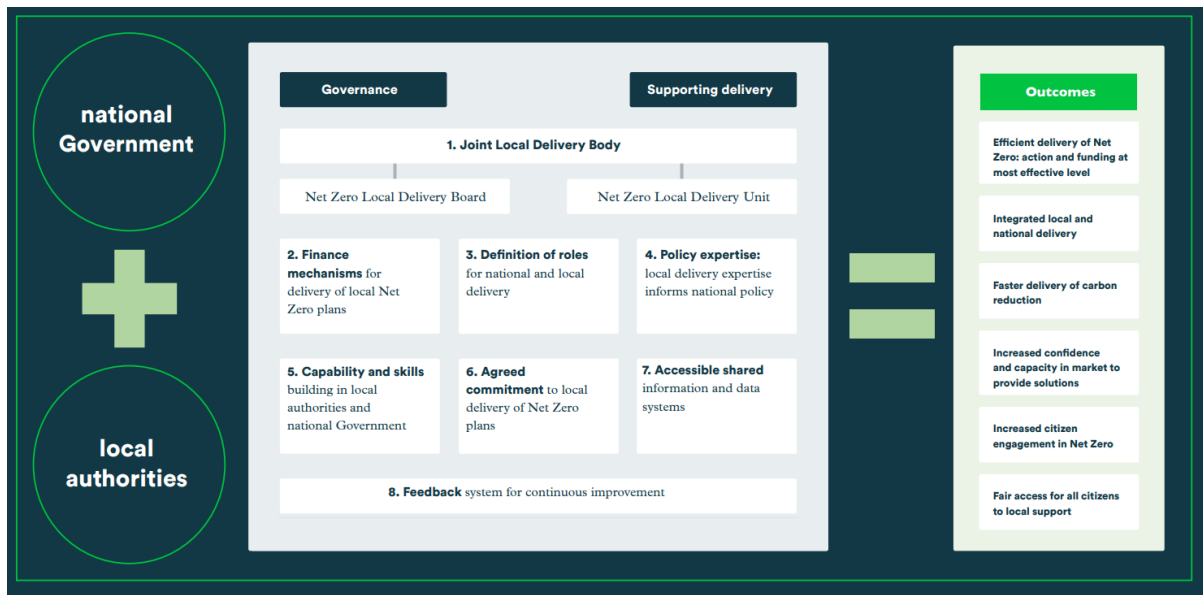
In 2020 I was contracted as a Senior Advisor to the Climate Change Committee, advising on the role of local authorities and the Sixth Carbon Budget (see: [Local Authorities and the Sixth Carbon Budget](#)) and in 2022 returned to support the Climate Conversation visits by CCC committee and secretariat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

### 1. 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.

## 2. 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 routemaps 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.

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