
Report To:	Environment and Regeneration Committee	Date:	16 January 2025
Report By:	Head of Physical Assets	Report No:	ENV003/26/SJ/EM
Contact Officer:	Eddie Montgomery	Contact No:	01475 712472
Subject:	Energy & Climate Change – Strategic Heat Network Study / Scottish Climate Intelligence Service / Public Bodies Climate Change Report		

1.0 PURPOSE AND SUMMARY

1.1 For Decision For Information/Noting

1.2 The purpose of this report is to provide an update on Energy and Climate Change related activity including the annual greenhouse gas emissions data return for Inverclyde submitted to Scottish Government.

1.3 The Strategic Heat Network Study of Inverclyde was one of the main recommendations from the Local Heat and Energy Efficiency Strategy (LHEES) and associated 2024-28 Delivery Plan. Inverclyde Council were successful as one of seven Local Authorities to obtain strategic funding from the Scottish Government with work now progressing on the study.

1.4 The recently established Scottish Climate Intelligence Service is an initiative to support Local Authorities in reducing their area wide greenhouse gas emissions. The Council is engaging with the service which will provide support on the planning, monitoring and delivery of climate action.

1.5 Public bodies in Scotland are required to report on their greenhouse gas emissions and governance and action with respect to climate change as required by the Climate Change (Scotland Act) 2009. The report informs the Committee of the greenhouse gas emissions data that has been submitted to the Scottish Government.

2.0 RECOMMENDATIONS

2.1 That the Committee:

- notes the progress of the Strategic Heat Network Study award, procurement of consultants, and the Council involvement across Services and with external Stakeholders over the period of the study until Summer 2025.
- notes the establishment of the Scottish Climate Intelligence Service and the Council's participation in this.

- notes the increase in the Council's reported greenhouse gas emissions in 2023/24, as a result of including the emissions from Inverclyde Leisure managed assets related to electricity and gas use. It is further recommended that the Committee note the general trend of a steady reduction in the Council's emissions and the scenarios included in Appendix 1 which show the effect of removing Inverclyde Leisure electricity and gas emissions from 2023/24, and also re-baselining to incorporate those emissions in each year back to the baseline date.

Eddie Montgomery
Head of Physical Assets

3.0 BACKGROUND AND CONTEXT

Inverclyde Strategic Heat Network Study

- 3.1 Local Heat and Energy Efficiency Strategies (LHEES) are at the heart of a place based, locally led and tailored approach to delivering the transition to climate-friendly, more energy efficient homes and non-domestic buildings. These local Strategies will set out the long-term plan for decarbonising heat in buildings and improving their energy efficiency across an entire local authority area. The LHEES details potential Heat Network Zones across Inverclyde where there is a sufficient density of properties requiring heat that could make a heat network work in those areas. In addition, energy efficiency zones where fuel poverty is currently having the biggest impact have been detailed.
- 3.2 There is a need to refine the currently identified Inverclyde heat networking zones within the LHEES through a more in-depth analysis of the eleven potential zones. This will identify the zones with the greatest potential, and those which are not likely to be feasible. A techno-economic model of some of the more promising zones will be prepared as part of this work, as will a summary of potential delivery models and soft market testing to gauge the appetite from heat network investors depending on the factors above.
- 3.3 The Scottish Government has set up a sub-group on the Strategic Heat Network Study. This includes the Heat Network Support Unit, comprising Scottish Government, Zero Waste Scotland and Scottish Futures Trust, and the seven Councils successful in obtaining funding (City of Edinburgh Council, Glasgow City Council, Inverclyde Council, Fife Council, Perth and Kinross Council, Dundee City Council and Highland Council). An aim of the sub-group is to share learning and inputs/outputs between Councils and there has been good collaboration to date across the group on the procurement of consultants.
- 3.4 The Environment & Regeneration Committee of 18th January 2024 approved the progression of an application to the Scottish Government for up to £150k grant funding, minus a 10% Council funding contribution from the Net Zero Capital allocation. Following on from confirmation on the funding being made available from the Scottish Government there are two separate frameworks available that cover the different aspects of the requirement. The first being a Technical framework which is administered through Zero Waste Scotland, and which includes consultants who have the necessary experience and expertise to analyse the sites, heat sources, refine the zones, and provide some of the economic modelling. The other requirement is for Legal and Commercial advice, with the proposal to utilise the Legal Services Framework Agreement put in place by The City of Edinburgh Council within which the Council are named as a participating authority. This will cover the legal documentation and commercial soft market testing of the different delivery models. The legal commission is expected to be finalised in December and will complete after the Technical commission. Both parts will be completed by Summer 2025.

Scottish Climate Intelligence Service

- 3.5 The Scottish Climate Intelligence Service (SCIS) is an initiative jointly funded by the Scottish Government and all Local Authorities to support the reduction of local authority area-wide greenhouse gas emissions. The SCIS has sourced an online platform, which shows the emissions for each local authority area by source, actions to reduce these and the progress to achieving net zero from the actions. The platform is transparent and aims to build capacity and direct future action and investment.

3.6 The SCIS is being delivered by the Edinburgh Climate Change Institute (ECCI), which is part of the University of Edinburgh, the Improvement Service (IS) and the Sustainable Scotland Network (SSN). The SCIS team is currently providing training on the online platform and has employed 'Local Leads' assigned to specific areas of Scotland to support local authorities with the platform and SCIS in general. The Council has been provided with an 'inventory' of Inverclyde's area emissions that includes source and amount and is looking to develop actions with which to reduce these.

Public Bodies Climate Change Report (PBCCR) 2023/24

- 3.7 In 2015 the Scottish Government brought into force powers in the Public Bodies Duties section of the Climate Change (Scotland) Act 2009 to introduce mandatory annual reporting on climate change for 'major players' in the public sector, including local authorities.
- 3.8 In May 2019, the Committee on Climate Change, in a request from the Governments of the UK, Scotland and Wales, advised on reassessing the UK's long term greenhouse gas emissions targets. It advised on new emissions' targets for the UK of 'net zero' by 2050 and in Scotland net zero by 2045, from a baseline year of 1990. The target in Scotland reflects its greater relative capacity to remove emissions than the UK as a whole. Following this, the Scottish Government declared a 'climate emergency' and set a net zero target year for Scotland of 2045 with an interim reduction target of 75% by 2030.
- 3.9 In April 2024, following advice from the Committee on Climate Change that the 2030 target could not be achieved, the Scottish Government put to the Scottish Parliament the 'Climate Change (Emissions Reduction Targets) (Scotland) Bill'. The purpose of this Bill is to amend the Climate Change (Scotland) Act 2009 to no longer include the 2030 target. The Scottish Government is instead seeking to establish 'carbon budgets' covering periods of five years. A carbon budget would set a limit on the amount of greenhouse gases emitted in Scotland over a five-year period.
- 3.10 The Scottish Government considers the public sector as having a role in leading climate change action and from 2022 public bodies have been required to include a target date for achieving net zero direct emissions in their annual reporting. Public sector bodies are further required to include in their annual reporting how they have aligned their spending plans and use of resources to contribute to reducing their emissions and delivering their emissions reduction targets.
- 3.11 The climate change reporting data submitted by the Council (See summary tables in Appendix 1) shows that, from a baseline of 2012/13, the Council has been steadily reducing its carbon emissions. By end 2023/24, the Council had reduced its greenhouse gas emissions from 19,104 tonnes in 2012/13 to 12,528 tonnes, a reduction of 34.4%. The 2023/24 emissions figure, however, is higher than that reported in recent years and is similar to the overall emissions figures reported in 2017/18. The reason for this is that from the beginning of 2023/24, the Council became responsible for gas and electricity charges for Inverclyde Leisure properties as previously advised in the January 2023 report to this Committee.
- 3.12 The Council has managed to reduce its emissions through a range of measures. In particular, its building rationalisation and new build/refurbishment programme has reduced the number of operational buildings and improved the energy efficiencies of a large proportion of its retained building portfolio. Even with the addition of Inverclyde Leisure properties in 2023/24, emissions from energy from buildings were still 29% less in 2023/24 than they were in 2012/13. The Council has also replaced its street lamps with LEDs that use around half the electricity of the previous lamps, whereby, emissions have reduced by 82%. In terms of its fleet, the Council continues to introduce electric vehicles combined with embedded efficient driver training and vehicle monitoring programmes with emissions reducing by 29%. It should also be noted that the decarbonisation of the electricity supply in the national grid has also had a significant impact on reducing emissions. Electricity in the UK produced approximately 60% less emissions in 2023/24

than in 2012/13 through the implementation of renewable forms of energy generation. There have also been efforts to reduce business travel mileage for staff using their own vehicles for Council purposes with an emissions reduction of 45%.

- 3.13 In comparing data used to produce this year's report with that of last year, there have been some changes in the approach which have resulted in increased emission reporting, the most notable being that of energy use from buildings resulting from the addition of Inverclyde Leisure managed properties. Gas and electricity consumption increased by 47% and 37% respectively as a result of the Leisure estate now being included in the reporting. The data also includes the impact of billing errors in some Council properties where issues with accuracy occur linked to metering issues and estimated bills. To address this, the Council is in the process of replacing meters with those that record consumption electronically and has also introduced monitoring and targeting software to assist in proactively identifying issues. This software assists in identifying site trends and impact of changes e.g. gas consumption for the Vehicle Maintenance Facility increased by 26% linked to the installation of a second drying room for staff work clothing. It should also be noted that the figures include the impact of the addition of the Greenock Ocean Terminal, which became fully operational over the course of 2023/24. Fuel use for the Council's fleet decreased by 4.5%, there were three fewer vehicles using diesel fuel and four more electric vehicles introduced in 2023/24.
- 3.14 In terms of area wide emissions, The UK Government publishes annually estimates of greenhouse gas emissions for each local authority area. These have a two-year time lag, whereby, the publication for 2024 provides estimates for 2022. The estimates incorporate emissions from 'Industry', 'Commercial', 'Public Sector', 'Domestic', 'Transport', 'LULUCF' (Land Use, Land Use Change and Forestry) 'Agriculture' and 'Waste'. They are further broken down into 'Per Capita Emissions' and 'Emissions per km²'. The UK Government further provides a subset of carbon dioxide emissions considered to be 'within the scope of influence of Local Authorities', which excludes large industrial sites, railways, motorways, land-use, livestock and soils. The Council had previously set a target for carbon dioxide emissions 'within the scope of influence of Local Authorities' to reduce these per person from a 2014 baseline of 4.7 tonnes to 4.5 tonnes. It surpassed this a number of years ago and the per person emissions figure for the Inverclyde Local Authority area in 2022 was 3.7 tonnes. The 'Grand Total' greenhouse gas emissions figure for the Inverclyde Local Authority area in 2022 was 318.3 kilo tonnes, which is an 8.6% reduction from 2021.
- 3.15 The Council currently only includes internal waste from its own operations in its reported emissions, however it also has responsibility for Municipal Waste and also collects some Non-Municipal Waste. The Scottish Government has set targets that a maximum of 5% of waste is sent to landfill and 70% of all waste is recycled. Figures for Municipal Waste and Non-Municipal Waste are provided on a calendar year basis and there was an increase in emissions of 21.1% in 2023 from 2022 with the likely reason that landfilled waste was considered to result in higher greenhouse gas emissions in 2023 than in 2022. At the beginning of calendar year 2024, the Council entered into a new waste contract, in which the waste that would be sent to landfill under the previous contract is instead incinerated and reported as 'Energy from Waste'. Applying this to the 2023 waste figures, emissions are 93% less than those of 2022.
- 3.16 The Council currently does not have a target for overall emissions reduction for the Inverclyde Local Authority area but it does play a significant role in reducing such emissions. Reflecting the national target of net zero by 2045 from a 1990 baseline, the projected 1990 baseline for the Inverclyde Local Authority area is 696.5 kilo tonnes. Achieving net zero would, therefore, require a reduction of 378.2 kilo tonnes. The Council is progressing major projects which assist in addressing area wide emissions, the 3-year peatland restoration project at 'Dowries' and 'Hardridge Farms' is progressing in its second year and the tree planting as part of the 'Clyde Climate Forest' initiative has included projects such as that at Coves Reservoir which involved the planting of over 10,000 trees. The Council continues to engage with the Green Action Trust

(GAT) to allow an estimate of the carbon sequestration impact of the activity to date to be quantified. The Glasgow and Clyde Valley (GCV) Peatland ACTION Officer has provided estimated annual emission reduction figures for the on-going peatland restoration which has the potential for circa 3,150 tonnes when complete. In addition to these projects, the Council's Local Heat and Energy Efficiency Strategy aims to support improvements in the energy efficiency of, and 'decarbonisation' of the heat supply for, buildings across the Inverclyde Authority area.

4.0 PROPOSALS

- 4.1 In regards the Strategic Heat Network Study, Officers are co-ordinating a series of meetings for both the Technical and Legal/Commercial between October 2024 and May 2025 to complete the study. The outputs of the study being the identification the zones that are most likely to provide the best returns on investment, understanding the market appetite for engagement, and to provide high level costs to determine whether the zones identified could be taken forward to the next stage to prepare outline business case(s) capable of being used to seek investment.
- 4.2 The Council will continue to engage and participate in the work of the Scottish Climate Intelligence Service.

5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO
Financial	X	
Legal/Risk	X	
Human Resources		X
Strategic (Partnership Plan/Council Plan)	X	
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing		X
Environmental & Sustainability	X	
Data Protection		X

5.2 Finance

The Environment & Regeneration Committee of 18th January 2024 approved the progression of an application to the Scottish Government for up to £150k grant funding to support the progression of an Inverclyde Heat Network Study, minus a 10% Council funding contribution from the Net Zero Capital allocation.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
Technical					
Net Zero (Council 10% contribution)	Capital	2024/26	£9,269	-	As per ZWS MoU with £92,692 SG grant funding support
				-	

Legal/Commercial					
Net Zero (Council 10% contribution)	Capital	2024/26	£5,000		Draft SG GoL with up to £50,000 SG grant funding support

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

5.3 Legal/Risk

The Strategic Heat Network Study will involve specialist legal/commercial advice as outlined in 3.5 above. The outputs from the study will also help the Council fulfil its statutory duties under the Heat Networks (Scotland) Act 2021.

5.4 Human Resources

No implications.

5.5 Strategic

The Inverclyde LHEES sits beneath the approved the Net Zero Strategy 2021-2045 which sets out Inverclyde Council's route map to achieving net zero greenhouse gas emissions by 2045. The Inverclyde LHEES sets out pathways and actions concerning the decarbonisation of Inverclyde's building stock specifically. The Inverclyde LHEES also overlaps with other Council strategies such as the Local Housing Strategy 2023/28.

5.6 Equalities, Fairer Scotland Duty & Children/Young People

(a) Equalities

This report has been considered under the Corporate Equalities Impact Assessment (EqIA) process with the following outcome:

	YES – Assessed as relevant and an EqIA is required.
x	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, assessed as not relevant and no EqIA is required.

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report’s recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
x	NO – Assessed as not relevant under the Fairer Scotland Duty for the following reasons: Provide reasons why the report has been assessed as not relevant.

(c) Children and Young People

Has a Children’s Rights and Wellbeing Impact Assessment been carried out?

	YES – Assessed as relevant and a CRWIA is required.
x	NO – Assessed as not relevant as this report does not involve a new policy, function or strategy or recommends a substantive change to an existing policy, function or strategy which will have an impact on children’s rights.

5.7 Environmental/Sustainability

The LHEES underpins how Inverclyde area will develop over the next twenty years for energy and carbon efficiency in our own operations, but also how we work with RSL’s, private businesses and private homeowners.

Has a Strategic Environmental Assessment been carried out?

	YES – assessed as relevant and a Strategic Environmental Assessment is required.
x	NO – This report does not propose or seek approval for a plan, policy, programme, strategy or document which is like to have significant environmental effects, if implemented.

5.8 Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
x	NO – Assessed as not relevant as this report does not involve data processing which may result in a high risk to the rights and freedoms of individuals.

6.0 CONSULTATION

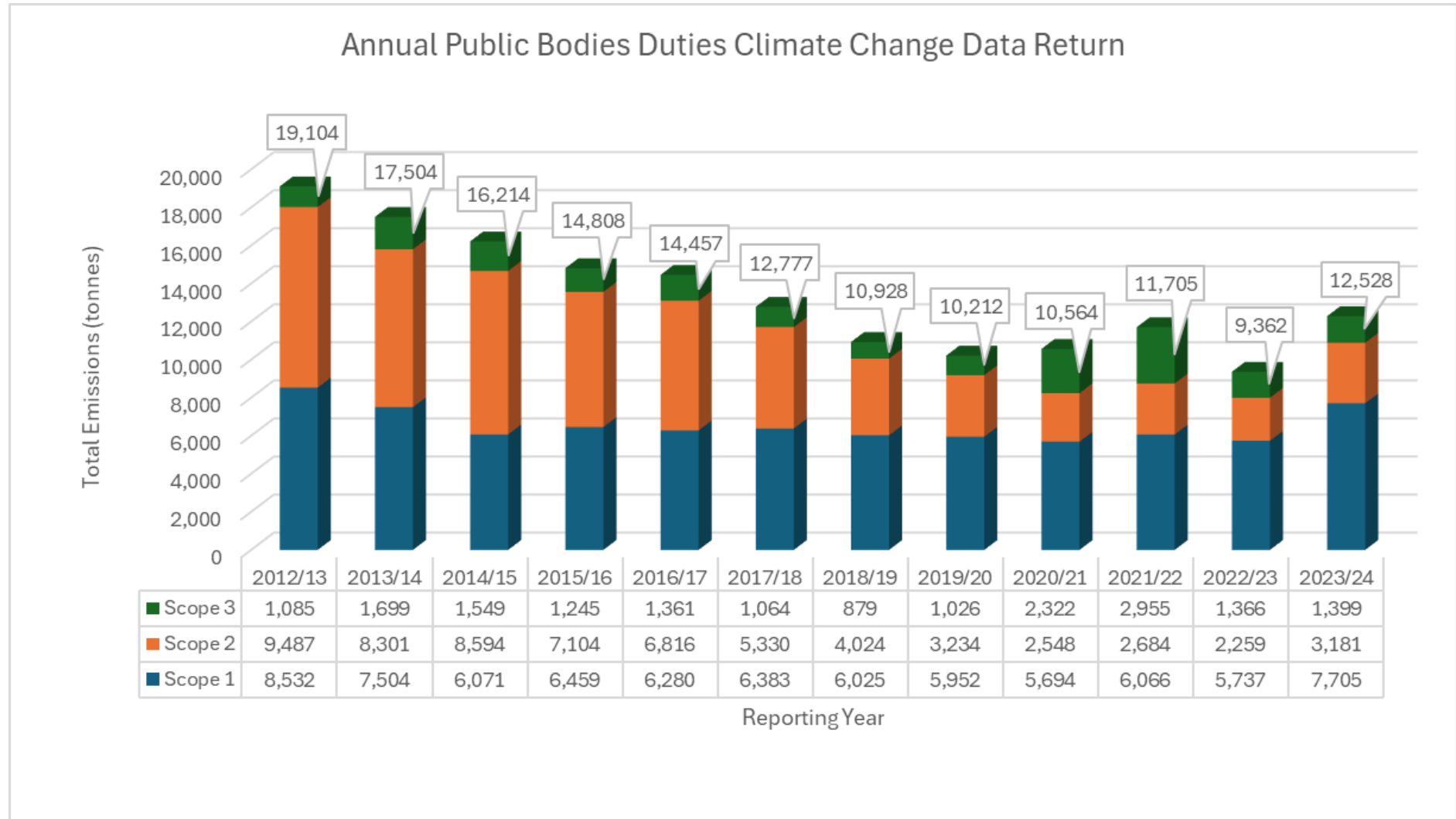
6.1 Relevant Officers within the Council and RSL’s were consulted as part of the application process to obtain funding and as part of the Broomhill district heating study by River Clyde Homes which the Council is currently participating in.

6.2 Staff from relevant Council services were consulted in the preparation of the Council's climate change report to the Scottish Government.

7.0 BACKGROUND PAPERS

7.1 None.

Inverclyde Leisure Managed Assets included as of 2023/24



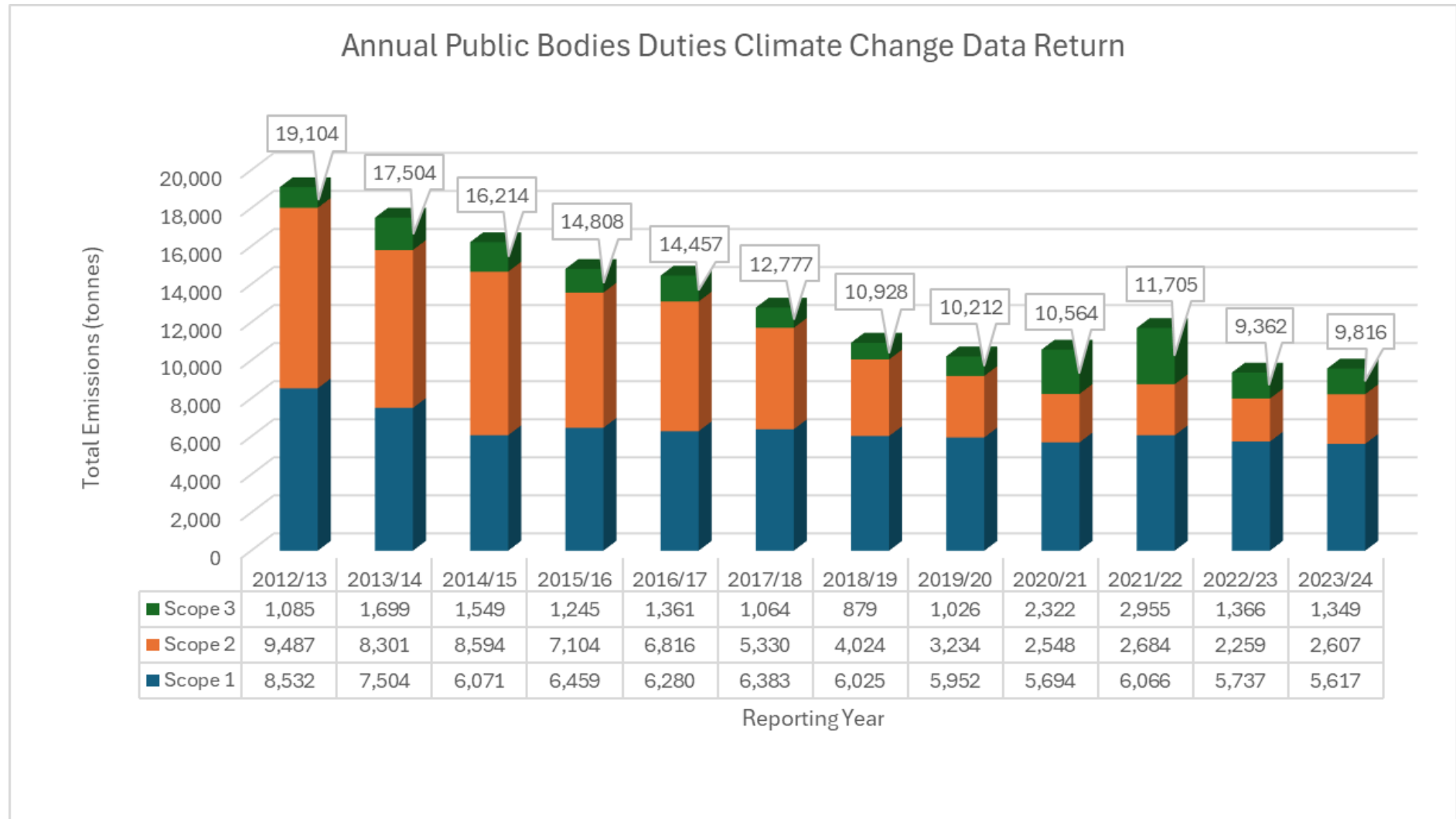
Units are in tonnes of carbon dioxide equivalent, which incorporate all greenhouse gases but calculated in terms of tonnes of carbon.

Scope 1 refers to 'direct' emissions, which are those from activities owned or controlled by an organisation (e.g. combustion of natural gas in owned or controlled gas boilers).

Scope 2 refers to 'energy indirect' emissions, which are those that are a consequence of an organisation's energy use but occur at sources it does not own or control. (e.g. use of purchased electricity).

Scope 3 refers to 'other indirect' emissions, which are those that are a consequence of an organisation's actions but occur at sources it does not own or control and are not classed as Scope 2 emissions. (e.g. business travel in vehicles not owned or controlled by an organisation).

Inverclyde Leisure Managed Assets excluded (for comparison)



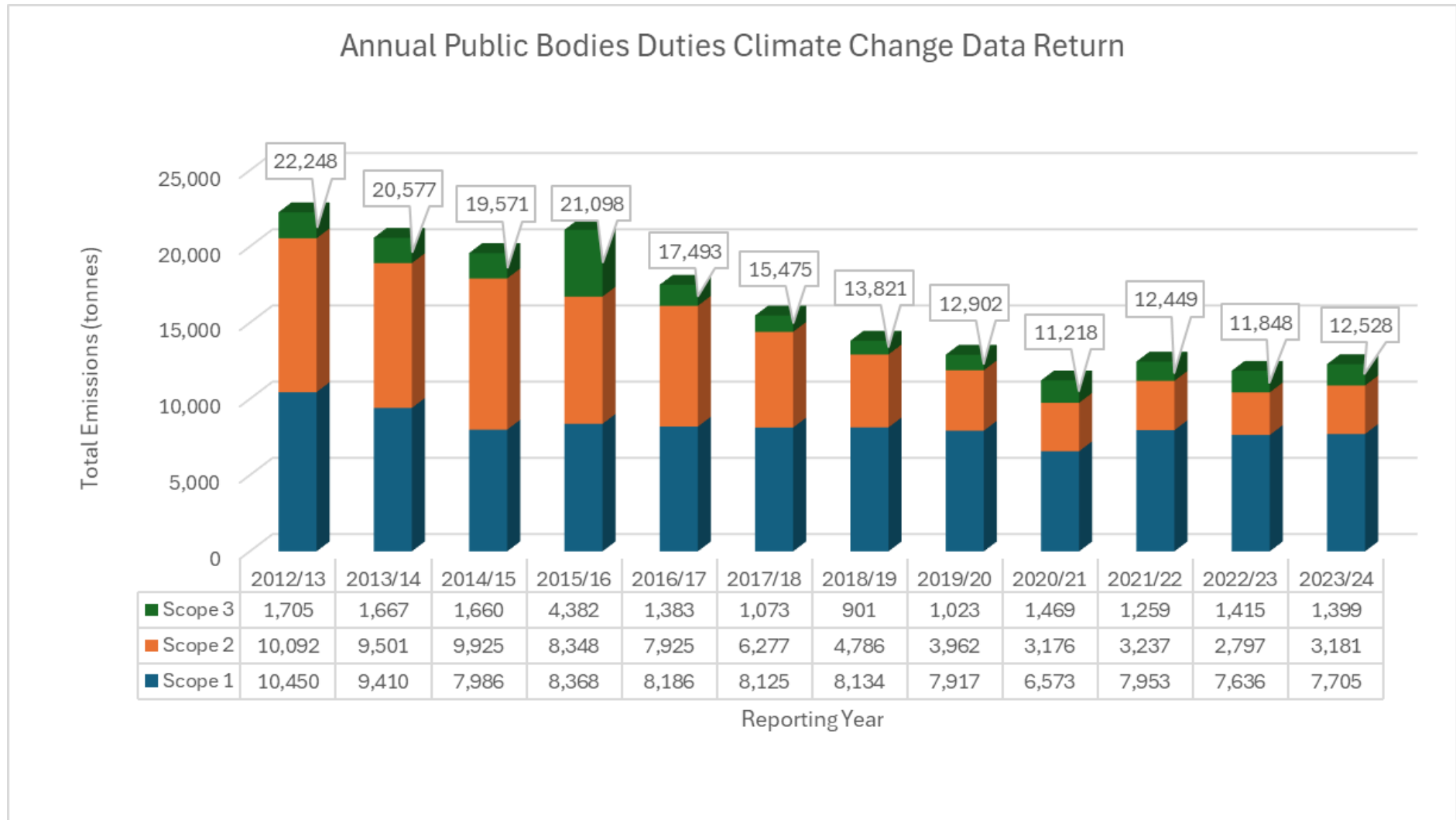
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Inverclyde Leisure Managed Assets included and re-baselined to include from baseline year 2012/13



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