



ORKNEY
ISLANDS COUNCIL

Item: 11

Policy and Resources Committee: 23 September 2025.

Scotland's Draft Climate Change Plan.

Report by Director of Infrastructure and Organisational Development.

1. Overview

- 1.1. Scotland's draft Climate Change Plan (CCP) is a strategy document to outline how the Scottish Government intends to meet emissions reduction targets across all portfolio areas and sectors of the economy. It must set out the Scottish Government's proposals and policies for meeting its statutory emissions reduction targets during the plan period i.e. must explain how the Government will achieve these goals.
- 1.2. This will be the first time the Scottish Parliament has considered a statutory CCP in draft form since the passing of the Climate Change (Emissions Reduction Targets) (Scotland) Act of 2019 and the Climate Change (Emissions Reduction Targets) Act 2024. The Climate Change (Emissions Reduction Targets) Act 2024 introduced a new system of setting statutory emission reduction targets, moving from a system of annual targets to five-year carbon budgets.
- 1.3. The Scottish Government has said that it aims to publish the draft CCP later this year and that it will cover the period 2026-2040. Once the draft CCP is published, the Parliament will have 120 days to scrutinise it.
- 1.4. As part of this process the Scottish Parliament's Net Zero, Energy and Transport Committee has undertaken a Call for Views on the next Climate Change Plan (CCP). Unfortunately, a deadline of 19 September was a fixed date for submission to the Committee and in order to ensure a representation from the Council could be registered officers therefore compiled and submitted a response. This is attached at Appendix 1.

2. Recommendations

- 2.1. It is recommended that members of the Committee:
 - i. Endorse the response by the Council, attached as Appendix 1 to this report, to the call for views by the Scottish Parliament's Net Zero, Energy and Transport Committee on Scotland's next draft Climate Change Plan.

3. Call for Views

3.1. The call for views sought responses from a wide range of individuals and organisations and has included both sector specific and also strategic / non sector specific questions. The non sector specific questions cover a range of important issues, including finance and governance. The response submitted (Appendix 1) has focused on these strategic topics and the following five questions:

- How should the changes required to meet emission reduction targets be funded?
- What governance arrangements are needed in the Scottish Government to ensure effective delivery of the CCP?
- How can the Scottish Government ensure transparent monitoring and reporting on progress?
- What should the Scottish Government do to help the public contribute to climate action?
- What other factors could affect whether Scotland meets its climate change targets?

4. Legislative position

- 4.1. The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, and its predecessor, the Climate Change (Scotland) Act 2009, established a legal framework for Scotland's climate change policies and targets. The 2019 Act significantly increased the ambition of Scotland's emissions reduction targets, aiming for net-zero emissions by 2045. Legislation was further updated by the Climate Change (Emissions Reduction Targets) Act 2024.
- 4.2. The 2024 Act withdrew the interim 2030 and 2040 targets but kept the target to become net zero by 2045. New interim emissions reduction targets for 2026-40 will be set through secondary legislation, using a system of five-year carbon budgets, which express the targets as an amount in carbon tonnage.
- 4.3. Scottish local authorities have legal duties under the Climate Change (Scotland) Act 2009 to contribute to achieving Scotland's national climate change targets. The duties are set out in section 44(1) of the 2009 Act and require that a public body must, in exercising its functions, act:
- (a) in the way best calculated to contribute to the delivery of emissions reduction targets (i.e. mitigation).

(b) in the way best calculated to help deliver the Scottish Government's Climate Change Adaptation Programme.

(c) in a way that it considers most sustainable.

5. Next Steps

- 5.1. A response has been submitted for the 19 September 2025 deadline. Subject to approval of recommendations in this report, officers will update the Net Zero, Energy and Transport Committee that Appendix 1 has been approved by members. Should Policy and Resources Committee resolve to add any further views, these can also be submitted as supplementary evidence.

For Further Information please contact:

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Implications of Report

1. **Financial:** None directly. Appendix 1 addresses a question regarding financing.
2. **Legal:** None directly related to the report recommendations.
3. **Corporate Governance:** The Committee is asked to endorse the response submitted by Officers to the call for views by the Scottish Parliament's Net Zero, Energy and Transport Committee. Appendix 1 addresses a question regarding Governance arrangements for the CCP.
4. **Human Resources:** None.
5. **Equalities:** The concept of the 'Just Transition' is supportive to equality and justice. Scotland's current Climate Change Plan states a commitment to securing a just and green recovery, which prioritises economic, social and environmental wellbeing, and responds to the twin challenges of the climate emergency and biodiversity loss.
6. **Island Communities Impact:** None directly. Appendix 1 identifies that Islands with small populations require support and resourcing.
7. **Links to Council Plan:** Scotland's Climate Change Plan (CCP) has the potential to contribute to outcomes for communities as outlined in the following Council Plan strategic priorities:
 - ☒ Growing our economy.
 - ☒ Strengthening our Communities.
 - ☒ Developing our Infrastructure.
 - ☒ Transforming our Council.
8. **Links to Local Outcomes Improvement Plan:** Scotland's Climate Change Plan (CCP) has the potential to contribute to outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:

- ☒ Cost of Living.
- ☒ Sustainable Development.
- ☒ Local Equality.
- ☒ Improving Population Health.

- 9. Environmental and Climate Risk:** The CCP will focus on addressing Climate Risk in relation to both climate change mitigation and adaptation and the Just Transition.
- 10. Risk:** None directly.
- 11. Procurement:** None directly.
- 12. Health and Safety:** None directly.
- 13. Property and Assets:** The CCP is an opportunity for the Scottish Government to support public sector decarbonisation.
- 14. Information Technology:** None directly.
- 15. Cost of Living:** The CCP will need to address cost of living in relation to equalities, just transition and fuel poverty concerns.

List of Background Papers

None.

Appendix 1

Appendix 1 –Response on Climate Change Plan.

OIC Response - Views on the SG's draft Climate Change Plan (CCP)

1. How should the changes required to meet emission reduction targets be funded?

Multiple sources (across UK and Scotland) have identified Local Government as essential to securing emission reductions. The (UK) Local Government Association has stated - "Local governments are not just a piece of the puzzle in addressing climate change; they are a vital piece, often holding the key to unlocking significant emissions reductions and fostering a more sustainable future".

An earlier enquiry by this Committee (2023 report¹) recognised that Local Councils will need additional resource and called for the Scottish Government to provide additional financial support to Councils in future budget cycles, to help them contribute to national net zero targets (progress here is keenly awaited and to get anywhere near full transition, must be year on year commitments). Without such revenue and capital funding, for example to at least make net-zero solutions comparable in their cost, transition investments by Local Councils will continue to be below the rates required by Scotland's net zero targets (both for 2045 and also for forthcoming carbon budget interim milestones).

A related consideration on transition funding, is the case for any selective ring fencing of targeted climate related funding within Local Government finance settlements, or for deficit cost reimbursement.

Local Government requires confidence in medium-term funding arrangements, both for capital funding for essential (low carbon) infrastructure, buildings and services and revenue funding to address transition costs, supporting skills / capacity development and for project implementation essential for just transitions. OIC has established a specific Climate Change post, working alongside services, but it is important to recognise there will progressively be a range of skills, training and capacity requirements associated with the full roll out of a just transition to net zero operations and services. This includes a funding need to increase Local Authority officer time (capacity) for important community engagement and support (see point 4 below).

Private finance will of course have a significant role also, and again Local Government has an important role to play. This Committee's (2023) enquiry report acknowledged that private investment at scale will be needed in many sectors, in particular for the decarbonisation of transport and of heat in buildings. The report

¹ *The role of local government and its cross-sectoral partners in financing and delivering a net-zero Scotland (Scottish Parliament Net Zero Energy and Transport Committee – [2023 report](#))*

called for the Scottish Government and its agencies to work with local government on an investment strategy that will increase investor appetite and lead to deals being agreed. We note that this opportunity is not in itself 'new thinking' and also that progress has been slow. This reflects the reality where investor confidence can only arise if Government commitments are sufficiently strong and if there is clarity and transparency around respective private sector and public sector funding.

2. What governance arrangements are needed in the Scottish Government to ensure effective delivery of the CCP?

As indicated already, governance arrangements that will stabilise and support Local Government financing, are central to achieving emission reductions. However, appropriate longer-term financing, is recognised in a 2020 UK Climate Change Committee report² as just one of 4 essential requirements for securing collaborative delivery of the net zero transition:

- An agreed framework for delivery for Net Zero incorporating local and national action
- Appropriate long-term financing to support local authorities in delivering Net Zero
- Local operational flexibility around how local areas address climate change
- Coherent policy and powers for the facilitation of delivery.

Governance arrangements that recognise and address these requirements, will support Local Government in its key role towards transitions.

Area based Climate Action programmes (such as forthcoming regional Adaptation Partnerships) should be formulated with close Local Government engagement. Top-down policies go some way to delivering change but will achieve far greater impact if they are focused through local knowledge and networks and working collaboratively with Local Government as a key partner.

3. How can the Scottish Government ensure transparent monitoring and reporting on progress?

The Scottish Government should be proactive and transparent in monitoring and evaluating progress. It should continue to ask the UK Climate Change Committee (CCC) to assess its progress in reducing emissions regularly. As an independent, statutory body, its purpose is to advise the UK and devolved governments on emissions targets and to report on progress made in reducing greenhouse gas emissions and preparing for and adapting to the impacts of climate change.³

² *Local Authorities and the Sixth Carbon Budget (2020)* - <https://www.theccc.org.uk/publication/local-authorities-and-the-sixth-carbon-budget/>

³ <https://www.theccc.org.uk/publication/letter-design-and-implement-carbon-budgets-in-scotland/>

In relation to Local Government reporting, in Scotland this is required annually and provides for transparency and scrutiny by stakeholders. Orkney Islands Council's Net Zero vision⁴ includes transparency as one of four key components:

- Action and Ownership – to understand and reduce our emissions at the earliest opportunities
- Collaboration and Co-ordination – across Council services and with partners and the community;
- Transparency – in the setting and addressing of our carbon targets; and
- Sustainability – building our resilience and adapting to the changing climate.

To ease reporting burdens on Local Government, consideration should be given to whether climate change adaptation progress is better reported over a longer time interval (e.g. every 2 or 3 years). Given the formative nature of the Adaptation agenda, this may be appropriate and for example would align with the timescale for public bodies biodiversity reporting. Emissions and Climate Change mitigation reporting for Local Authorities should continue annually.⁵

4. What should the Scottish Government do to help the public contribute to climate action?

A range of initiatives have been developed and are being piloted to support public and community level action on climate change. These projects will need to be evaluated and learning points actioned. Programmes such as Carbon Neutral Islands, offer an opportunity for securing emissions reduction in a specific islands context (Orkney Islands Council is supporting these developments as outlined in our Council Delivery Plan⁶). Islands with small populations require support and resourcing, to effectively engage with these opportunities. With targeted national funding, Local Councils can help support these capacity issues and along with other initiatives (e.g. Islands Centre for Net Zero) these collaborations have potential to develop focussed engagement for island households and communities.

5. What other factors could affect whether Scotland meets its climate change targets?

The CCP should carefully consider how policy levers operate in the real economy and (for example) whether adherence to certain standards might disincentivise some climate action. One example is in the situation with land-based projects and carbon offsetting. In this situation, local public bodies and actors should not necessarily be required to adhere to standards that are intended for the private sector. Such standards may be suitable as a working basis (e.g. to follow principles). However, in some very formative areas of climate action like the blue economy, there are emergent habitat restoration practices that could contribute to carbon sequestration and climate change mitigation. Strict adherence to some carbon standards, could

⁴ Climate Change – [Our Approach - Orkney.gov.uk](https://www.orkney.gov.uk/media/5w0dlban/our-approach-orkney-gov-uk)

⁵ <https://www.orkney.gov.uk/media/5w0dlban/item-05-climate-change-duties-draft-statutory-guidance-consultation.pdf>

⁶ https://www.orkney.gov.uk/media/4ibjqstr/council_plan_delivery_plan.pdf

act to stifle some innovations at their formative stages. These and other innovations should be encouraged in their early years (see also [OIC response to SG guidance consultation](#) – 2025).

Alongside emissions reduction, adapting to the impacts of the changing climate is a key agenda nationally and locally. Adaptation targets should therefore be integrated closely into the national CCP. Orkney Islands Council responded to the Scottish National Adaptation Programme consultation in 2024 and our response outlined a number of additional factors, important to achieving targets and objectives⁷.

A further factor in helping the CCP achieve its targets, is the potential to engage with and to help mobilise local skills and leading actors. In Orkney, our Community Planning process is developing structures to advance net zero, including a new Energy and Enterprise task group and setting a (highly) ambitious net zero vision⁸. These collaborations offer a pathway for gathering unique local knowledge and experience, to acknowledge and support leading climate actors and to inform strategies and innovation opportunities (specific to local context). Resourcing such collaboration opportunities is not straightforward and requires investment and innovation. These do however offer potential as an important local contributor towards Scotland's CCP targets.

⁷ <https://www.orkney.gov.uk/media/os0om3tg/oic-response-to-snap3-consultation.pdf>

⁸ <https://www.orkneycommunities.co.uk/communityplanning/documents/orkney-climate-resilient-net-zero-vision-september-2024.pdf>