



OFFICIAL REPORT
AITHISG OIFIGEIL

Net Zero, Energy and Transport Committee

Tuesday 20 September 2022

Session 6



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NET ZERO, ENERGY AND TRANSPORT COMMITTEE

24th Meeting 2022, Session 6

CONVENER

*Edward Mountain (Highlands and Islands) (Con)

DEPUTY CONVENER

*Fiona Hyslop (Linlithgow) (SNP)

COMMITTEE MEMBERS

*Natalie Don (Renfrewshire North and West) (SNP)

*Jackie Dunbar (Aberdeen Donside) (SNP)

*Liam Kerr (North East Scotland) (Con)

*Monica Lennon (Central Scotland) (Lab)

*Mark Ruskell (Mid Scotland and Fife) (Green)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Andrew Burns (Accounts Commission)

Louise Marix Evans (Quantum Strategy and Technology)

David Hammond (Society of Local Authority Chief Executives and Senior Managers)

Silke Isbrand (Convention of Scottish Local Authorities)

Councillor Gail Macgregor (Convention of Scottish Local Authorities)

Stephen Smellie (Unison Scotland)

George Tarvit (Sustainable Scotland Network)

CLERK TO THE COMMITTEE

Peter McGrath

LOCATION

Committee Room 2

Scottish Parliament

Net Zero, Energy and Transport Committee

Tuesday 20 September 2022

*[The Deputy Convener opened the meeting at
14:15]*

Interests

The Deputy Convener (Fiona Hyslop): Good afternoon, everyone, and welcome to the 24th meeting in 2022 of the Net Zero, Energy and Transport Committee.

I welcome to the meeting Edward Mountain, who is joining us for the first time as a committee member. He replaces Dean Lockhart. On behalf of all members of the committee, I once again thank Dean for his contribution to the committee's work this session. I have, as discussed at our previous meeting, written to Dean on the committee's behalf.

As Edward Mountain is joining us for the first time, agenda item 1 is a declaration of interests. I invite Mr Mountain to declare any relevant interests.

Edward Mountain (Highlands and Islands) (Con): Thank you very much, deputy convener.

As committee members will know, I have made a full declaration in the register of members' interests, but I would still like to bring some key points to your attention.

First, I am a member of a family farming partnership that breeds pedigree cows and grows barley for whisky. That particular industry employs three people.

I have an ancillary property-letting business that lets cottages that used to be part of the farming enterprise. They consist mainly of old farm cottages.

I am also a partner in a family fishing business that fishes for wild salmon on the River Spey. That business, too, currently employs three people.

I get no financial benefit from any of the organisations of which I am a member, but I should say that I am a member of the National Farmers Union Scotland, the Scottish Gamekeepers Association and, through my previous profession as a qualified surveyor, the Royal Institution of Chartered Surveyors.

I think that that is a full declaration. Of course, I will, like other committee members, declare any relevant interests at any future meetings.

The Deputy Convener: Thank you very much, Edward.

Convener

14:17

The Deputy Convener: Agenda item 2 is appointment of the committee's new convener. On 15 June 2021, the Parliament agreed motion S6M-00393, which resolved that members of the Scottish Conservative and Unionist Party were eligible to be chosen as convener of this committee. I understand that the Conservative nominee for convener is Edward Mountain.

Edward Mountain was chosen as convener.

The Deputy Convener: Congratulations, Edward. I pass over to you to convene the remainder of the meeting.

The Convener (Edward Mountain): Thank you very much. We had a bit of musical chairs there, but I hope that I can stay in this chair for a bit.

First of all, I thank you. I have been reading the committee's work in the inquiry that we will continue today. I note that you called for evidence on 21 November 2021, which seems an awfully long time ago. Up to today, you have had 11 meetings, I think, on the matter; you have received more than 51 online responses; and you have received responses from the Accounts Commission, the Convention of Scottish Local Authorities and other individuals.

Here I must make an admission: I have not read the *Official Reports* of all your evidence sessions. I think that it was Councillor McVey who said in the first session that there was an "elephant in the room" when it came to the subject—well, this is my elephant in the room. Reading 11 *Official Reports'* worth of meetings is a bit like eating Jacob's crackers—they might be very tasty to start with, but you can take them only in small doses. It will take me a bit of time to get through the *Official Reports*. I apologise if it takes me slightly longer to do so but, if you try reading them, you will see why.

I am looking forward to joining this committee, which has obviously done a huge amount of work on the issue. As convener, I will be looking for members' guidance and help, given that you have done much more on it than I have.

Decision on Taking Business in Private

14:19

The Convener: Agenda item 3 is a decision on taking business in private. Do members agree to take in private agenda item 5, which is consideration of the committee's work programme, and agenda item 6, which is a discussion on the appointment of a committee adviser on environmental regulations and standards?

Members indicated agreement.

Role of Local Government in Delivering Net Zero

14:19

The Convener: Item 4 is an evidence-taking session as part of our inquiry into the role of local government and its cross-sectoral partners in financing and delivering net zero. I refer members to the clerk and Scottish Parliament information centre papers for the item.

The inquiry was launched in December to look into progress at the local level on reaching net zero targets. In phase 2 of the inquiry, which we are in now, we are looking in depth at the key themes emerging from the initial evidence sessions and the call for views.

We will start with a panel that will focus on an overview of the operation of local authorities. I welcome the two panellists who have joined us in the room: Andrew Burns, who is a member of the Accounts Commission, and Stephen Smellie, who is vice-convener of Unison Scotland. I also welcome Louise Marix Evans, the director of Quantum Strategy and Technology, who is joining us remotely. I thank all three of you for accepting our invitations. We are delighted to have you here, in person and on the screen.

Members will ask questions in turn. It would help broadcasting if members directed their questions to a specific individual. I am sure that members do not need to know this, but I ask the panellists to keep their answers as brief as possible. When I was convener of a previous committee, I used to wiggle my pen—I think that that was a nasty habit that I got from Christine Grahame. That will mean that the person should be coming to the end of giving their answer. I have never had to let go of the pen in the person's direction because most people have got the hint, but that is a pretty good steer for you to know when it is time for you to start wrapping up what you are saying.

As convener, I will take the privilege of asking the first question. It is probably for all three of you, so I ask you to be brief. I will start with Andrew Burns. Where do you think the biggest concerns are in relation to reducing emissions in local authorities, and in which sectors are there opportunities for innovation, learning and partnership?

Andrew Burns (Accounts Commission): Congratulations on your appointment, convener, and I thank the committee for welcoming the Accounts Commission and inviting us to this session.

As members will be aware, the Accounts Commission holds councils and other local

government bodies in Scotland to account, and we help them to improve by reporting publicly on their performance. As I am sure you all know, we operate independently of councils and the Scottish Government.

I assume that you will all be familiar with the better-known products of the Accounts Commission—the best value reports on individual local authorities—but we also produce performance audits, which are based on themes. I am delighted to say that, just in the past 12 to 18 months, the Accounts Commission and the Auditor General for Scotland—who, by chance, is giving evidence to another committee this afternoon—have started to look at climate change as a theme for the first time. I am really pleased that that has happened in the past 18 months—thus my welcome for being invited here this afternoon.

To turn to the specific question, this may sound a little trite, but I will start with it because it is the focus of the piece of work that we have just done—the performance audit that I mentioned, which has been circulated to the committee. “Scotland’s councils’ approach to addressing climate change” is the first piece of work that the Accounts Commission has done that looks at all 32 local authorities.

I will not rehearse the main recommendations and findings just now—I am happy to come to those when we get to further questions. However, one of the key things that came out of that work was the lack of collaboration. I do not want that to sound like a negative, because it is not meant to be a negative. There is lots of really good work going on in local authorities and at the Scottish Government level with partners, but we sense from our work that, if there was better and more fulsome collaboration across and within the levels of government and the bodies that are responsible for reducing climate change emissions, greater progress could be made.

I think that that is what you were getting at in your first question. If you were to press me on a single thing, I would not point to this emission or that emission. It is possibly as simple as having much more enhanced and effective collaboration across and between levels of government, but that is not as easy to crack as it sounds.

I hope that that helps for now. I am happy to expand on the recommendations and findings in the piece of work that has been circulated.

The Convener: I am interested to hear whether Stephen Smellie agrees with you.

Stephen Smellie (Unison Scotland): I certainly agree that collaboration is important, but—this will make Unison sound like a broken gramophone record on any question relating to local government—before we address any issue, we

have to address the lack of finance that local government has. I will not go over the detail. We can produce documents of great length that explain the history of the underfunding of local government. However, local government will not be able to achieve what we all hope it can achieve unless there is proper funding.

Buildings are a significant factor in the biggest concerns about local government's carbon footprint. I work for South Lanarkshire Council. The chief executive recently made the statement that to retrofit all the non-domestic buildings—the schools, swimming pools, sports centres and halls—to bring them up to net zero standard would cost the council £500 million. In case it is a surprise to anybody, South Lanarkshire Council does not have £500 million. If we extrapolate that across Scotland, it comes to a much bigger figure. Fundamentally, there is an issue that needs to be addressed. I do not know whether it is an elephant in the room, but it cannot be ignored when we talk about net zero.

Buildings and fleet are areas that councils need to address themselves. However, there are opportunities in having to address areas of that scale. South Lanarkshire has something like 140 schools. It has some of the most modern school estate in Scotland actually, but some of those schools do not match up to net zero standards. I think that none of them matches up.

We continue to build buildings that will be unfit for purpose within a short time. There is an opportunity to address that. If we had sufficient funding and collaboration, as Andrew Burns said, we could, in the public sector, not only start to retrofit non-domestic buildings but, because of the skills and talent that would be brought to bear, expand the activity into housing, where retrofitting is a major issue and which is a major issue within the wider community.

I see that your pen is beginning to wag, convener, so I will leave it at that at the moment.

The Convener: I did not wag my pen. I was smiling slightly because I read in one of the *Official Reports* that Glasgow City Council estimated that the cost of retrofitting its buildings would exceed £1 billion.

Would Louise Marix Evans like to comment? Thank you for your submission. I understood it, and it was interesting.

Louise Marix Evans (Quantum Strategy and Technology): Can you hear me all right?

The Convener: Perfectly.

Louise Marix Evans: You asked about the biggest concerns and opportunities. The emissions for local authorities are between 2 per cent and, at a push, 5 per cent of local area

emissions. That is obviously an opportunity over which they have control.

The biggest areas in which action is needed are housing, energy efficiency, heat decarbonisation and transport. Those are the areas in which local authorities are critical because we are bringing together infrastructure with the way that people live their lives, and we have to do that at an appropriate local level.

Another big opportunity and concern is the planning process. As Stephen Smellie said, we are building buildings that are not aligned to net zero targets and which will need retrofitting later. If I had a magic wand, I would get the planning system aligned strongly to net zero so that local authorities do not have to go into negotiations with developers to ensure that all our new buildings are net zero buildings.

The only way in which we can do all those things is by collaboration or alignment through a framework of national, regional and local working. I feel like a broken record because I have been saying that for two and a half years. Although your working is better in Scotland than it is in England and we are all really jealous of you, from what I hear from local authorities, it could still be managed better through some kind of framework or formal collaboration.

14:30

Mark Ruskell (Mid Scotland and Fife) (Green): Reading the submissions, I was struck by the lack of consistency across councils when it comes to setting targets, the scope of the targets and the plans that are being developed to meet those targets. Why is that? Is that a problem?

Louise Marix Evans: That is something that jumped out at us in our recent climate conversation with people who work at a national level. Local authorities really went for it with their climate declarations and found different ways of working out what their contributions to the Paris targets could be. Some looked at their remaining carbon budgets and others went for an earlier target than the national one. Also, councils scoop up different emissions baskets—some look only at what they think they can do with their own estate and others look at the wider area. The report that has just come out from the Accounts Commission has a nice diagram showing the wide disparity between local authorities in that regard. Some of the difference was driven by politics and some of it was driven by science.

Why is it happening? I think that it is because of local democracy, with local areas being in charge of setting their own targets. We have the same thing in England. To be honest, I do not think that it really matters, because the varying targets all

signal that there is ambition and a strong political commitment. Local people largely wanted the sort of action that is being taken and campaigned for it, which is why there are some quite knee-jerk targets. Some local authorities see this moment as an opportunity to have a green recovery, get good local jobs and deliver the co-benefits in terms of health, clean air and great housing.

If you look at the speed with which we have to bring down emissions globally between now and the 2030s—the Scottish net zero target is 2045—you can see that we need to move as fast as the councils are doing. I do not think that we should dwell too much on the lack of consistency.

Andrew Burns: The point that you have raised speaks to what I was saying at the outset. I was pleased to hear Louise Marix Evans and Stephen Smellie echo the idea of collaboration, and it is important to say that I do not disagree with the point about funding.

Why is there inconsistency? All 32 local authorities are working in this area, but they are often working alone rather than working across local authority area boundaries. I do not need to tell anyone in this room or outside this room that carbon emissions do not respect national boundaries, never mind council boundaries. All of us know that we need to have a 75 per cent reduction in emissions by 2030, which is perilously close now—we are weeks away from 2023—and that Scotland needs to reach net zero by 2045, as Louise Marix Evans just said.

I am pleased to say that the individual councils that are working well are working really well. Climate Emergency UK, a United Kingdom-wide organisation, has assessed the vast majority of all local authorities across the UK and, in that survey, the two biggest cities in Scotland—Edinburgh and Glasgow—came out really well in terms of their plans to reach those targets. However, some of the other local authorities did not come out well in comparison with their counterparts in Scotland and England. There is a distinct lack of consistency because councils are working in their silos and are not collaborating across the boundaries.

It is important to say that 28 of the 32 councils have declared a climate emergency, which I presume that everyone would welcome—the recognition, that is, not the emergency. That is more than 80 per cent, and all of them have set targets, albeit of different levels.

Within those different levels, further confusion is added by the question of whether the target reductions for greenhouse gas emissions concern local authority emissions or area-wide emissions. Only 17 of the 32 councils have set targets for area-wide emissions. That fact alone illustrates that there is confusion and a lack of co-operation

across local authorities. I do not mean that in a negative sense; I simply think that a bit more leadership from the appropriate channels is needed to make that happen. If there were more of a steer, that would make a significant difference, because those who are doing less well could learn from those who are developing best practice.

Mark Ruskell: You are saying that such bottom-up collaboration will help to build consistency.

Andrew Burns: I would strongly argue that, when you look at the work that the Accounts Commission has done and how comparatively well cities such as Edinburgh and Glasgow are doing, you can see that other local authorities could learn a lot from what is happening. That is not to say that Edinburgh and Glasgow are perfect—they are not, and I am certainly not claiming that they are—but I agree with the gist of what you are prompting me on. There should be bottom-up collaboration and more of a steer from the Scottish Government. I am sure that Stephen Smellie will come back in to make a point about funding, too.

As I said in my opening statement, there should be collaboration across and within all levels of government in Scotland and the UK. That would really help.

Stephen Smellie: As Andrew predicted, one of the points that I will make is about finance.

Unison's members include many of the carbon managers, property managers and so on who are doing the work on the ground and trying to implement plans in the councils. There is a fair amount of, if not collaboration, communication: those professionals talk to one another and exchange information through their own networks, and many of them participate in Unison's green network. They are aware of what is going on elsewhere. If we picked up the good ideas from each of the 32 local authorities and replicated them in all the other ones, we would be steaming ahead. However, we do not have the capacity to do all those good things.

Largely due to finance—we will get that out of the way at this point—councils cannot do everything and, therefore, they focus on what they think is the most appropriate thing to do in their area. They would like to do what is being done elsewhere but they do not have enough money. That is a fundamental problem. For example, the funding streams that they use to provide grants fund some really good projects, but they are all very bitty and localised—that is not a criticism; that is just a result of the situation with the funding streams.

The other thing that prevents greater consistency is the issue of skills. We have a skills shortage in a number of areas in local

government. For example, our planners need greater training in carbon literacy or whatever you would call it so that they are equipped to know how to plan for a net zero future. There are similar training gaps in other areas. All of that means that departments have to bring in outside consultants, at considerable expense, to figure out what steps to take. One of the areas of collaboration that we would argue for would involve the sharing of public sector excellence, with people being able to draw on the expertise that is being developed in different areas.

The picture looks inconsistent across the board because of a lack of capacity, a lack of skill and a lack of finance. People are doing what they can at a local level.

Jackie Dunbar (Aberdeen Donside) (SNP): I have a question about how the councils have responded to the need for transparent reporting around climate change. Have councils been adequately assessing and reporting the risks of climate change in their areas and addressing the mitigations?

Andrew Burns: On balance, from the evidence that we have got, my simplistic answer to that would be that they are doing their best with the resources that they have available to report on the emissions and the emissions reductions in their areas. Without wishing to repeat what I said to Mark Ruskell, I would say that there is a lot of inconsistency with regard to whether they are reporting on council emissions or area-wide emissions in relation to the targets that they have set—17 of the councils take one approach; 15 take the other. The reporting is happening, but it is constrained by resources. I agree with Stephen Smellie's latter point. It is not just about finances; it is also about skills and human resources.

I think that I am correct in saying that in a few months—in November—all public bodies will have to submit a statutory climate change report, which could be a mechanism to improve consistency across all 32 local authorities in Scotland. I am not familiar with all the details of how that annual report structure will be put together, but I suspect that the committee might want to take an interest in that, because it could be used as a tool to improve consistency, which is, I think, the point behind your question. I hope that that helps.

Jackie Dunbar: If you ruled the world, how would you improve consistency? What do local authorities need to do to ensure that everyone reports in the same way?

Andrew Burns: In relation to the net zero targets, whenever they are, one big change that could be made would be for all 32 local authorities to report either on their own emissions or on area-wide emissions. As I said, at the moment, there is

a 17:15 split—councils are split almost down the middle. Louise Marix Evans mentioned the figures. Council emissions are relatively small in the global scheme of things, but area-wide emissions are really significant to Scotland achieving a 75 per cent reduction by 2030 and net zero by 2045.

If I could insist on something, as you are hinting at, I think that there should be consistency in whether councils set their targets for a reduction in overall emissions for a whole area or for a reduction in emissions for a local authority area. Clearly, given what I have said about scale and what Louise Marix Evans hinted at, it is more important to focus on area-wide emissions. Those need to be looked at, because they form a significant part of the overall emissions for Scotland.

Jackie Dunbar: Stephen Smellie, do you agree with that way forward, given that, as you said earlier, the housing aspect will be huge?

Stephen Smellie: I agree with what Andrew Burns has said.

I made the point about lack of skills and knowledge. Local authorities have been stripped of capacity over many years. Therefore, when they are asked to do things such as report on area-wide corporate emissions, that is quite difficult. There is a skills gap. Councils are also huge procurers of all sorts of things, including food, but they are tied to procurement processes that do not make it easy to assess the climate impact.

There is scope to improve the skills base. To echo what Andrew Burns said, I think that that would be best done on a collaborative basis. The reports can be as transparent as we want but, unless we have those skills, they will be vague.

Jackie Dunbar: Louise Marix Evans, in your submission, you say that finance directors need to understand what is needed before we can progress. Will you elaborate on what you mean by that?

Louise Marix Evans: Yes, and I will pick up on the data point, too.

At least local authorities in Scotland have to report, which, interestingly, is more than what local authorities in England have to do. There could be an issue with a lack of reported data on housing, or with transport data for a particular area or city being extrapolated from national data, but that is not always that helpful. We can get buried in the need for more and more data without thinking about what data is useful in helping us to deliver what we now need to deliver by way of housing, energy efficiency or the modal shift for transport. We can pin everything on data and waste a lot of resources on it, but good enough is sometimes good enough to get us going fast enough.

My point about finance directors' understanding links to the point that Stephen Smellie made about procurement. There are ways in which local authorities can unlock transformational change, but it takes more than just the climate person or the housing person to understand how to do that. There are often finance solutions—once a finance director or treasurer has gone through carbon literacy training, for example, the penny drops and they think, “Why are we investing in gas boilers in schools when we’ve just dug up a playground and could’ve put in a ground-source heat pump, which would be cheaper to run in the long term?”

14:45

It is really important to get everyone on the leadership team trained up, to get hold of the models that are working in other council areas and to understand how they did that in order to fill in the gaps. It is important to have a base level of skill and awareness and a way to get hold of expertise through exchanges such as the Sustainable Scotland Network, UK100, which some of your local councils are members of, and the Energy Managers Association. As long as those on leadership teams understand the principles, can go and get the answers or the business models, or can borrow the Excel spreadsheets from someone else, they can be solutions focused, and that is important.

There are witnesses on the next panel from organisations that can help by sharing their knowledge of how to make that happen on a practical level.

The Convener: Stephen, you and others have made the point that some people lack skills in the areas that are required. It took me four years to be trained in planning law and planning. How will we train those people up in the time that we have? Have we changed our training to ensure that new people are properly trained?

Stephen Smellie: I cannot comment specifically on the current level of training for planners, because that is not my area of expertise.

The point that I was making is that many of the current planners, property managers and so on, who are professionally trained, were trained at a time when the issues that we are discussing were not pertinent—they should have been, but they were not—and, therefore, they need to be trained. A number of councils have rolled out carbon literacy training, which Louise Marix Evans mentioned, to a number of staff. I also agree with Louise's point that we need to train not only planners and carbon managers, but finance directors and chief executives. That issue is critical.

You would need to speak to the universities and the professional organisations about the training of new professionals, but we need to find ways to bring the skills of existing staff and local government leaders up to speed and to enhance them.

The Convener: I am a little bit concerned that we are not running as fast as we should be with that.

The next questions come from Liam Kerr.

Liam Kerr (North East Scotland) (Con): Good morning, panel. My question is for Louise Marix Evans in the first instance, and then I will put it to Andrew Burns.

Louise, it is clear from your submission and from what we have heard from the panel that local authorities are working in a difficult financial environment due to what you call “short term funding settlements”, which you suggest lead to financial teams not focusing on the “whole life costs” of a project. How well are local authorities linking their strategic carbon reduction plans and delivery route maps to their budget setting, and what more could they do to align projects and investments to their net zero ambitions?

Louise Marix Evans: I do not know how well all of them are linking those together, because I have not done an audit of Scottish authorities. However, based on the authorities that I know quite well, which include some Scottish ones, I am not aware of local authorities linking their budget setting very strongly to their net zero ambitions. There are probably a few leading ones such as Bristol and Manchester, and Glasgow might be starting to do that, but I would have to go away and find out, because I cannot tell you which ones are and are not doing that.

Liam Kerr: I would be very grateful if you could do that.

Louise Marix Evans: I do not want to misrepresent them, because some of them might be doing it. Glasgow City Council is aligning economic development plans to net zero, and that should filter down because, if it has an overall place strategy that picks up on net zero, adaptation and inclusive growth, that will cascade through other strategies or action plans across directorates and the council will start to get a grip on the issue.

We are seeing that in Glasgow and some other members of the inclusive growth network. I think that my submission links to a report that I have done on that. We are beginning to see those practices being embedded. Some local authorities are using things such as the doughnut economics model, but I am not aware of any Scottish authorities doing that. Again, I could be wrong—I

will go away and do some homework and come back to the committee.

Liam Kerr: I would be grateful if you could do that.

Andrew Burns: I referred to how well Glasgow and Edinburgh are doing compared to not just the other 30 authorities in Scotland but their sister organisations as well as councils down south. The Accounts Commission's work has found that local authorities are linking their decisions on budgets to climate reduction targets, but that the approach is not consistent across all local authorities.

I was pleased to hear Louise Marix Evans mention the Glasgow city region, because that is referenced as one of the case studies in the Accounts Commission's work as a good example of how economic decision making can and should be linked to greenhouse gas emissions reduction targets.

Edinburgh and a few other local authorities in Scotland are doing likewise, but it is very few—the activity is not consistent and not very prevalent in Scotland. I am afraid that I could not speak to the wider picture in the rest of the UK.

Liam Kerr: I will bring in Stephen Smellie shortly, as he might want to address the first question, but I will stick with Andrew Burns for now.

Given the financial situation that we have heard so much about, what impact do you foresee the pay increases, the Scottish Government's spending cuts and the current inflationary pressures having on local authorities' ability to deliver on their net zero ambitions? Given how councils are funded, what can they do about it?

Andrew Burns: Frankly, it does not take a mathematician to realise that those factors make it harder. There are huge pressures on local authorities, which, surely, we can be apolitical about. No matter where you come from, it must be obvious to anyone—we are all users of local council services—that the pressure on the delivery of those services is enormous at the moment, whether that is because of pay settlements or the establishment of the new national care service. I could go through a whole host of things that are not necessarily in this committee's remit but which are factors that put pressure on the resources that are available to achieve greenhouse gas emissions and net zero targets. Those factors all have a cumulative negative impact.

Liam Kerr: Is there anything that local authorities can do about it, given the funding constraints?

Andrew Burns: I wish that I could give you a one-word golden-rule answer, but I do not have one. I am in danger of repeating myself, but

improved collaboration across local authorities and between the levels of government in Scotland would help, although it would not solve everything. I am stating the obvious but, if more funding was available, that would also help. If we put that to the side for the moment and assume that there will be no additional funding, then more effective collaboration would assist, although it will not solve all the challenges.

This is perhaps not a response to Liam Kerr's question, but the issue might lead us on to discussion of adaptation, because that is one area where there is potential for improvement in all the local authorities' plans.

Stephen Smellie: The situation is very difficult. The last time that I was in a meeting with Government ministers, it was with the Deputy First Minister and the First Minister to discuss the pay settlement, and it was spelled out clearly that, if we got extra money for pay—which we did and we are grateful for—there would be consequences. That is the reality of Scottish Government and local authority spending.

Clearly, things could be done to increase revenue raising powers for local government, which Unison is supportive of and has been for a number of years. The Scottish Government could also do things to raise additional funds locally, before we get into a discussion about what Westminster should do on additional borrowing powers and so on. There are things that could be done and need to be looked at, but none of them is a short-term fix.

Another thing that could be done involves priorities. Local government—indeed, all Governments—will have to make decisions in the coming period. To go back to your first question, if councils do not link those decisions to the net zero objectives, we will end up going backwards rather than forwards, because we will be making short-term decisions on a financial basis. Will the new swimming pool that might be built be the cheapest available, or will we build a pool that will meet our net zero targets for the future?

For a finance director, or any councillor who is elected for a four or five-year term, those are difficult choices. We could start setting priorities. For example, I talked about a skills shortage. We could move engineers away from improving roads and creating new junctions towards doing more work on safer and more active travel. Things like that could be done within the current arrangements. We could simply say that we will not build more roads but will instead devote that money to retrofit buildings in order to make them more energy efficient.

Liam Kerr: I understand—I am grateful for that answer. Unless Louise Marix Evans has anything to add, I will hand back to the convener.

The Convener: Louise was too slow in looking up, even if she had anything to add. Monica Lennon has some questions in this area, so Louise might be able to come in on those.

Monica Lennon (Central Scotland) (Lab): I have a question on procurement, which has been mentioned already. I come back to the issue of capacity, which we often hear about in broad terms. Stephen Smellie described a very lean model of local government, where we have shed a lot of staff over the years. Are we doing workforce plans across local government? Do we know exactly how many staff we would, in an ideal world, need to have in certain roles?

We talk a lot about workforce planning for the national health service, for example, but we do not always talk in great detail about what local government needs. I will come to Louise Marix Evans first, and then go round the table to find out whether that work is happening. It may be happening in England; perhaps Louise will have some good examples of that. I want to get a sense of what we actually need, and what kind of jobs we should train people for. For example, I am thinking about what Stephen Smellie said about a just transition, and how those agendas are linked.

Louise Marix Evans: Rather than saying that we need a certain number of climate change officers per council or per head of population, we should go back to the idea of having everyone trained, so that everyone knows what their role is in working towards net zero and understands the co-benefits. Everyone should be able to look through a net zero lens at the work that they are doing and see how they are contributing to that agenda. That is the first thing that councils should do, rather than siloing that work into a climate change department. In councils, we often see that there are the highways people, the economic people and the environment people, who are doing things that run against net zero, while there is a little climate change team trying to pull the other way.

I would invest in my housing team and in people who understand how to begin to develop business models, and work towards nailing the owner-occupier retrofit challenge by building up business models and skills bases for people delivering retrofit. You have started on that journey in Scotland, with your home energy efficiency programmes, which are important.

The other point is about modal shift, and getting in people who really understand active travel. That would involve a bit of a mindset change from the traditional highways engineers, so that we have

proper engagement and good design of high-quality ways of travelling actively and moving ourselves differently. That is a completely different mindset from the kind of people who just want to stack cars in car parks and keep traffic flowing; I end up tearing my hair out over them.

Those are the important points. The last point concerns people who are good at engaging with local communities and working to build other partnerships, because delivery should not fall only on local authorities—it has to be done with partners at a much more micro community level. That takes resources, but it is totally worth developing. We saw that in Dundee and we see it in Glasgow—it is about putting resources into getting people who can do the practical stuff on the ground and build partnerships so that other people can deliver.

15:00

Monica Lennon: When I asked the question, I was making the assumption that everyone working in local government is part of the mission to reach net zero goals, given that we are trying to mainstream that—it is not just for those who have “green” or “climate” in their job title but is something that we are trying to embed.

Stephen Smellie: That is a critical point, although it has to be said that, given the funding streams that local authorities have had recently, it has been difficult to recruit specific people to take forward some of the programmes, because local authorities are competing against one another and struggling to recruit people with “green” in their title or who have that specialist knowledge. That difficulty cannot be ignored. I agree that we need to train up the people that we have already to do the job better or in a more green way.

Local government does not have a workforce planning mission. Effectively, the 32 local authorities are competing with one another. Indeed, in some of the areas that we are talking about, they are competing with the private sector in recruiting talent. It is becoming clear that it is difficult to recruit and retain people at that kind of professional level, particularly because pay has been suppressed for several years. We will not go down that line, but it is just a fact that there are difficulties in retaining staff in those areas, because there are better paid jobs elsewhere. We need to look at that.

I go back to the point about training existing staff. As Louise Marix Evans and Monica Lennon said, everybody in local government should have an understanding of the issues as part of their job. I am keen on promoting greater engagement with the workforce on how they can transform the way in which they deliver services. There are various

examples of that being tried across the country, starting from the very simple. For example, several years ago, we talked about moving to being paperless and what that meant. When staff started to get into it, they started to come up with their own ideas. The home working that we were all forced to do during Covid has opened up people's ideas and led them to start thinking that maybe they do not need to travel to all these different meetings. If we engage with the workforce, they can come up with ideas without necessarily having the word "green" in their job description.

You mentioned the just transition. One thing that we were very pleased to see in the latest just transition commission report was the talk about the need to invest in the social infrastructure of the country, by which we mean health and social care and things like that. Of course, local government has a critical role to play in investing in that by training social care workers and others to create the kinds of jobs that we need for the future, which are green jobs. We do not tend to think of those as green jobs, but they are, because they do not cause greenhouse gas emissions—as long as the staff use an electric car to visit their service users.

There is a role for local government in developing the transition to the kind of economy that we need in future. As you say, that should be part of the workforce planning and the financial planning of local government.

Monica Lennon: That is helpful. Andrew Burns, can we hear your thoughts and reflections?

Andrew Burns: I will try to link your question about workforce plans to adaptation, which I mentioned earlier. It is important that I get across the work that the Accounts Commission has done on that. As Stephen Smellie and Louise Marix Evans have indicated, individual local authorities have workforce plans. The Accounts Commission knows that from the best value work that it does for all the 32 individual local authorities. However, they are individual workforce plans that are particular to each local authority.

It came out powerfully from the work that we did that there is a big focus on greenhouse gas emissions with hardly any serious focus on adaptation—that point is not discussed enough. I think that I am right in saying that we will never get to zero, and there will always be residual greenhouse gas emissions. If we do not have adaptations and some form of sequestration, we will never be able to remove those residual emissions.

To link that to your point about workforce planning and the need to train the workforce, the evidence that we have from our survey of the 32 local authorities shows that that issue is not being given a sufficient level of attention. The issue

affects not just councils and the public sector but the private sector.

If I were to ask everyone in this room to put up their hands if they have a gas boiler to heat their house, I bet that more than half of us would have to put up our hands. Our evidence suggests that we are nowhere near ready to tackle that problem. Therefore, there is an issue around appropriate workforce planning to deal with residual emissions. We will always have residual emissions. Greenhouse gas will never be at zero—that is not what "net zero" means—so we will have to have adaptation. From the evidence that we have, adaptation is not being properly assessed and considered in the workforce planning of individual authorities. I hope that that makes sense.

The Convener: I am glad that we did not have a vote on gas boilers, because we in the Highlands do not see many of those.

Monica, do you want to come back in very briefly?

Monica Lennon: I will move on to procurement, but I am keen to ask Andrew Burns why adaptation is not given such priority. Can you put your finger—or your pen—on that?

Andrew Burns: Regrettably, I am not sure that I can. It is just a statement of fact about what we found from the work that we have done. I do not doubt that it is linked to the pressures on local authorities. They are working towards the greenhouse gas emission targets and net zero targets that they have identified, but there is not enough focus on dealing with the small element of residual emissions, which are not going to go away.

Stephen Smellie: I have two points on adaptation. I will be brief.

Councils have responsibilities in managing lots of land. For example, many have projects to plant more trees, and to engage children and schools in that. That work is in small parts, and needs greater investment.

Secondly, in adapting their infrastructure to the current climate change, local authorities have to plan for more frequent extreme weather conditions—for example, for flooding, water shortages, fixing the roads, rebuilding bridges and adapting their buildings.

Along with the Scottish Trades Union Congress and Adaptation Scotland, we have developed training material on how to audit workplaces for adaptation and how climate change is impacting on us, in everything from temperature to ventilation, outdoor working and the rest of it.

Andrew Burns is right that not enough is done on that. However, work has been done by the trade unions, along with Adaptation Scotland, to start getting that understood in workplaces. If we had sufficient time—we do not—we would see progress through engagement with the workforce.

I will say one other thing very quickly. Local government could take a lead on identifying green representatives in the workforce, in the same way as, under legislation, health and safety reps get facility time for things such as inspections. We could start to develop training for people to be our green reps, or environment reps—whatever we call them—to carry out such audits in workplaces, working with management but representing the workforce in how that is done. That would be a key step forward in getting the message into every workplace. Initially, that could be in local government, but there is no reason why examples could not then go elsewhere.

The Convener: Natalie Don has some questions. Natalie, the microphone is yours.

Natalie Don (Renfrewshire North and West) (SNP): I come to Louise Marix Evans first. I am interested in the role of communities. When it comes to delivering net zero, is there a mismatch between the scale at which local government and local community groups operate? If so, how should that be addressed? The evidence that we have gathered to date in our inquiry suggests that partnerships between councils and community groups vary depending on the area. How should local authorities change the culture to ensure that communities become key partners in the delivery of net zero?

Louise Marix Evans: That is really important. Given the scale of what has to be delivered—for example, the numbers of houses that need to be tackled by retrofit—a nice little community partnership for bicycle refurbishment and getting people on bikes feels like a tiny crumb compared with the vast cake that we have to tackle.

However, it is absolutely critical for people to be empowered. That goes back to Monica Lennon's point about the just transition. We cannot accept that that transition should be done to us, particularly when it comes to changing the way that we move, the way that we live, the kinds of jobs that we have, what we buy and what we eat. The electricity system can be changed without people particularly noticing, although the cost might be an issue, but it is important to have a partnership or a way in which local communities can feed in, engage and co-create ideas and solutions with local authorities and with Government. That will allow communities to help to shape what happens and what this better future should look like for us, and to see what the benefits and opportunities are.

We perhaps think of communities as being people and houses, but communities are also made up of small businesses and enterprises. They might see opportunities to develop new services and create new enterprises.

Local authorities need to go into partnerships with an open mind rather than engaging with people so that they agree with a plan or consent to what the authority is going to do in their town or local area. That is no good. However, when local authorities set out what the problem is—for example, the authority in Dundee might say that we have to change the way that we move around the city—and then ask communities how to deal with that, they can come up with solutions. That then gives support to elected members, who think, "They want it, so let's do it."

That approach gives more people a voice, and not just the noisy campaigners who have said that they want something. That is empowering, as we know from the people we have met who have been part of community climate plans or who have engaged through the arts, as we see with Creative Dundee. The process makes people feel that they have agency.

I am sorry, because I am not being very articulate, but I feel that the issue is really important. For high-level policy makers, it might not seem like a nice big infrastructure project, or there might be no big chunk of money that they can spend to deliver emissions reductions instantly, but that process is absolutely critical.

We are seeing more deliberative democracy by way of things such as climate juries. The Climate Change Committee has now started looking at that approach in earnest, which is great, because it is very important.

Natalie Don: So, as well as the fact that communities know their areas best, you feel that co-operation between local authorities and communities will be key to ensuring buy-in from local people and citizens.

What other forms of democracy might help to ensure community involvement, and how should those be initiated and supported? As you have touched on that, Louise, I will turn to Andrew Burns to ask for his thoughts.

Andrew Burns: From the evidence in the Accounts Commission survey of local authorities across Scotland, I would say that partnership working between local authorities and communities is a strength in Scotland. I do not claim for one second that the situation is perfect across Scotland, but it is a strength. The report that we published a couple of weeks ago, which was submitted to the committee, contains various case studies from Dumfries and Galloway, Aberdeenshire and the Glasgow city region, which

we have mentioned. In those areas, there is lots of good partnership working with local communities.

In many ways, it is about empowering the tiers below, or tiers that are not equivalent. We have been having that discussion and debate in relation to the Scottish Government and local government levels. We have to make the same arguments and have the same discussion about local government and community levels. That partnership working is a strength in Scotland, although, as I said, I would not claim that it is perfect. The situation could be improved, but there is lots of good practice.

I agree with the latter point that Louise Marix Evans made that things such as deliberative juries and deliberative decision making could help. Many neighbourhood partnerships in the 32 local authorities are working well on that with partner bodies such as police and fire boards. We do not drill down into that in detail, but I am sure that the committee could establish fairly easily some further examples of what works well at neighbourhood partnership level, as well looking at the work that the Accounts Commission has done.

Natalie Don: I am not sure whether Stephen Smellie has anything to add. Otherwise, I am happy to pass back to the convener.

The Convener: I think that he has something to add. Do so briefly, please, Stephen.

Natalie Don: Brilliant. I was not sure, because I could not see you there, Stephen.

Stephen Smellie: I must declare an interest, because my background is in community development work, so I have lots of ideas about communities and what we should do.

15:15

In my view, every community should have or be working towards its own net zero plan and should be thinking about how it—whether it be a village, a scheme or whatever—can address those issues and what those issues might mean for it. Although there are many good examples, they are on a relatively small scale, because—let us be honest—the community just do not get involved in such things, as they do not feel empowered, they do not have the confidence or they do not have the resources to do so.

One thing that local authorities can be good at is the use of community development workers, but provision is very patchy and—speaking personally—I think that that is one of the things that have been stripped out of local government over many years. Where it works, however, you can engage with local communities and get people to start to think about what concerns them and how those concerns fit into a wider agenda.

At the moment, lots of people are talking about energy costs. Local government could be—and, in various parts of the country, has been—engaging with community energy schemes. That approach could be magnified in great ways. For example, there is a lot of local authority land that could be worked with local communities to see whether local district heating schemes and energy production could be put in place, everyone's roof could be solarised and so on. What stops people doing that individually is the cost, but if community organisations were given support street by street and village by village, they could come together and start to make real progress. People might feel that they were getting a gain in a relatively short time, and that would lead on to greater development.

Unison is in favour of public energy—which, I have no doubt, is a matter for a different committee—but community energy would be part of that mix. There is no reason why communities cannot do that sort of thing, instead of the big companies—or, indeed, the big landowners who are able to provide the land—getting the benefit of such developments.

It is a similar situation with transport networks. Despite the fact that people of my age get free bus travel, for which we are very grateful, lots of people, particularly in rural areas—I come from South Lanarkshire, which contains some large rural areas—do not have a decent bus service. The community should be part of the design of transport services, and local authorities should be able to work alongside communities to develop them.

Natalie Don: Thank you very much.

The Convener: Are you finished, Natalie?

Natalie Don: I want to ask one follow-up, convener, if that is all right.

The Convener: I am nervous, because the deputy convener has not asked her questions yet, and there is nothing like upsetting the deputy convener at your first meeting. If you will allow me to bring in the deputy convener, I might come back to you at the end of the session.

Natalie Don: That is fine.

Fiona Hyslop (Linlithgow) (SNP): I want to ask about the barriers and opportunities for councils in leveraging private finance. We have heard from councils about the pressures on public finances, and we understand those concerns, but given the scale of the work that we are talking about, they do not expect the Scottish Government to provide all the funding. How, then, do we use private and green finance for this?

Perhaps I can ask Louise Marix Evans to come in not just on that question, but on whether

something more can be done about skills, abilities and the framework of collaboration. Do you have any recommendations in that respect?

Louise Marix Evans: We know that the transition is not going to be funded by the public sector—the funding will come largely from the private sector. Local authorities already work and have deals with the private sector. A non-Scottish example is Bristol’s City Leap partnership, which has set up a joint venture to deliver a big heat network as well as the deep retrofit of buildings.

I believe that there are joint ventures for heat networks in Scotland, too. Glasgow has been working with the UK climate cities investment commission, which has modelled how much these things are going to cost. You sort of think, “Fine—I could’ve told you that before you did the research,” but the next stage is exciting. Indeed, a conference that was due to take place last week, but which I think was probably cancelled, was meant to bring investors and the city together in order to look at the opportunities.

I think that that is where it gets really hard for local authorities. There are some people who understand finance models such as joint ventures and special purpose vehicles, and then there are ordinary people like me who think, “Well, who is benefiting?” As with private finance initiatives, is it simply a case of us paying more over a longer period and, because somebody else owns the infrastructure, if they go bust, we carry the risk? There is a lot of thinking to be done about aggregating mixed-risk bags of investment, so that we bring investment in from the private sector to deliver on that long-term infrastructure challenge. However, the problem is that so much of it is not rapidly investable. Energy is rapidly investable, so that is fine, but with housing retrofit, for example, it takes a long time to get payback and to get the revenue scheme back to service the debt. Therefore, I think that that area is still underdeveloped.

We see little things that might have some effect, such as green bonds. Through community bonds, a million quid might be raised—we have seen that in Berkshire and in Warrington; I do not know whether there is a Scottish example. However, that is only a million quid, and it is often just for a solar farm, for example. It is not for the really difficult stuff that will enable us to get the payback, and we are not yet able to sell the carbon emissions or the health benefits through social bonds.

Therefore, there is a lot of talk about this area and there are lots of really clever people in smart suits who talk about it, but I still do not see it as a true example that I can get my head around yet. To me, it seems a bit like smoke and mirrors. It is a skill that might exist in authorities—I am sure

that Kit England in Glasgow is busy recruiting somebody to do that kind of stuff, and that he understands it. However, until elected members and ordinary members of the public get their heads around it, it will be difficult.

I think that that is coming and that it is there in some places, but it is by no means everywhere, and it is a big gap. It is a gap that the Government may be able to help with, but the finance industry really needs to help us.

Fiona Hyslop: Is that something that you see being addressed by a framework between national and local government?

Louise Marix Evans: I think that a framework could address it, but a lot of the time private investors say, “You have to de-risk it and then we’ll invest.” That is fine, but where the risk lies is not for me to say—I am not an elected member. A pipeline needs to be developed, and it must be a very wide pipeline, because getting the project away is a narrow funnel, so we lose a lot of projects in the process. I am a bit out of my comfort zone on that, but it really exercises me, because I do not see enough happening. I hear a lot of talk about it, but it does not strike me as transparent or practical enough. There is a great deal of theory, and I would like to see more real projects come through.

Fiona Hyslop: Andrew Burns, what is your view on the leveraging of private finance? Is there a conflict between councils being responsible for their own estate and, at the same time, saying that we need community and/or place-based investments? In that case, the council should also be leveraging private finance for things that are income generating or there is a source of income that is not generated from its own stock.

Andrew Burns: That is an important point. Given everything that we have discussed around the fiscal pressures on local authorities and the slim chance of that situation magically becoming markedly better in the short term, it is essential to leverage in and access private finance. I know that that has been referenced a couple of times by various witnesses in their evidence this afternoon.

However, I want to mention the example of Climate Ready Clyde, which is referred to in our submission. That is a piece of work by the Accounts Commission. It involves eight local authorities across the Glasgow region, along with six or seven other organisations, including some from the private sector. It has had Scottish Government support and funding. That could be rolled out. I think that I am right in saying that that is the only example of a cross-authority, public-private sector collaboration in Scotland with Government support. It is not necessarily a magic bullet, but I encourage colleagues to look at the

case study in our submission. We published that piece of work last week.

That illustrates that there is potential to leverage in private sector finance. City region deals are not everybody's favourite mechanism, but they have already illustrated—in a different arena, I acknowledge—how private sector finance can be leveraged into local authority areas. If Climate Ready Clyde can prove that that can have an impact on greenhouse gas emissions and adaptation targets, it would be worth looking at it carefully as a model that could be rolled out across the other city region deal areas. I think that there is now one to cover every local authority area in Scotland.

Fiona Hyslop: Is that the way to ensure that finance expertise could be shared? Clearly, small local authorities might not have it yet.

Andrew Burns: Without wishing to sound urban-centric, it is small local authorities in particular that struggle, because of a lack of capacity and lack of access to human resources, so a city region deal could be a way to ensure that small local authorities have that access. Some of the eight local authorities that are involved in the Climate Ready Clyde city region deal initiative are relatively small in comparison with Glasgow City Council, and they will leverage in expertise, private sector human resources and capital through that mechanism.

Fiona Hyslop: Stephen, bearing in mind that you identified issues around community bonds—private finance for communities—what is your view on the leveraging of private finance? Unfortunately, the committee had to cancel a visit to Linlithgow, where the council has already used private finance through a solar bond exercise.

You have talked about how to mobilise the workforce and expertise. If the big-ticket items are housing and transport, what can we do about the barriers that you see around private finance? What opportunities exist? Nobody is saying that we will be able to tackle net zero through public funding, even with the best will in the world.

Stephen Smellie: It will come as no great surprise that I am a bit of a sceptic when it comes to private finance. I do not think that any record or evidence exists that private finance will come in to rescue us in this situation. Our experience of using private finance for public infrastructure—Louise mentioned PFI in passing—was not successful. I do not think that anybody would go back to those days when PFI was the only game in town, as we used to be told in local government. We are still paying that debt off years later—the Government has had to extend the period in which we can pay.

The whole history of moving to renewables internationally provides evidence that, unless the

public purse funds or subsidises that move, or allows you to charge significantly more for the energy, the private sector does not come in. The private sector is not interested in generating or, indeed, saving energy; it is interested in generating profits.

In a situation in which public finances are tight, why would we commit to a strategy that, in essence, would mean that we would be in hock for even more years? I am sceptical about that; I do not think that much evidence exists that private finance will come to our rescue. Therefore, we need to start thinking about public sector responses to the situation.

Community engagement is fine—there is room for it at small levels—but it is small beer in relation to the bigger picture. There is no getting away from the fact that the public sector will have to borrow money. I appreciate the difficulties in that respect; local authorities are allowed to borrow money in certain circumstances, but we do not have that capacity at the Government level in Scotland, and we need to start addressing those kinds of issues.

Unison does not think that the private sector will deliver on such issues on the scale that would be necessary. I am sorry to be so negative about that, but that is our assessment.

Fiona Hyslop: Should councils be leaders in adopting a place-based approach to tackle net zero or should they be interested only in public services and public sector responsibilities?

Stephen Smellie: Unison is very firmly of the view that local government has a key role to play in what you described as “place-based” solutions, which involves engaging with local communities and businesses, integrating effort and so on. However, that is not the same as saying that local government will be able to bring in private finance—the private finance is not there.

The Convener: Two members have asked to ask questions. I will bring you both in, but I ask each of you to put a short question to one panel member.

Monica Lennon: I have a question about the Scottish National Investment Bank—Louise or Andrew can indicate whether they are best placed to answer. It would be good if Stephen Smellie could follow up in writing to the committee because, last year, Unison published a report on decarbonising the public sector, and I am keen to hear what engagement has taken place with COSLA, the Accounts Commission and others on that report.

We have not heard about the role of the investment bank today. Can anyone speak to that point briefly?

The Convener: It looks as though you are up, Andrew. If you are brief, Stephen might get in as well—it depends on whether you are currying favour with him.

Andrew Burns: I am not sure that I can be overly helpful on that. That was not looked at in detail as part of the work that the Accounts Commission undertook. However, it is a good question, and I hope that the committee will pursue it further. My understanding as an individual is that one of the aspirations behind the establishment of the Scottish National Investment Bank was that it would be able to invest in assistance on greenhouse gas emissions and adaptation, which we have referred to a couple of times.

I do not think that we have looked at that issue in detail yet, but that is a good point. The SNIB is a body that could potentially assist.

15:30

Stephen Smellie: I refer to the STUC's submission, which addresses the role of the Scottish National Investment Bank. However, I would not pretend to be an expert on that, either.

In Scotland, we have a source of funding of billions of pounds in the local government pension scheme, which continues to invest in fossil fuels. There is an issue there relating to divestment. Local authorities have a key role—they run the local government pension scheme. There is an issue to do with how that kind of money could be invested. It must have a return, because it is my pension that is being looked after. That is not primarily about investing in infrastructure, but there is a source.

We are campaigning for a review, because there are 11 funds, with lots of duplication. Around £100 million could be saved every year by merging those funds into one. That would take a wee bit of time to put in place but, over a few years, we could be looking at significant savings there, which would come directly to local government. That would be worth exploring.

The Convener: Okay. Does Natalie Don want to come back in with her question to an individual?

Natalie Don: Yes. My question is on the back of what Stephen Smellie said. I apologise—I did not realise what your background is. You said that one of the biggest challenges for communities is on the finance side. Are there any other challenges for community-led emissions? What can we do to help with that? What action can we, as policy makers, take to reduce those barriers?

Stephen Smellie: I will be brief. Previously, you asked about levels of democracy. I agree that it is about finding ways to engage people in their local

community, in whatever community they identify—it is not all about the village that they live in; there are communities of interest and workplace communities, for example. It is partly about educating and partly about raising awareness, but it is also about giving people opportunities to say how their situation could be improved. That would elicit all sorts of ideas. There is no doubt that some of those ideas would be daft and some would be unrealistic because of the finances involved, but there is also no doubt that, given the opportunity and a bit of funding—we are not necessarily talking about lots of funding—people could come up with solutions to their own immediate problems. Local authorities are best placed to be able to harness that and co-ordinate with other communities.

To go back to Andrew Burns's point about collaboration, communities can also collaborate to achieve their own improved energy sources or transport networks, which would help to address net zero in the widest sense in the community. There are real opportunities. If we are able to unlock those opportunities, they would bring in a lot more talent, and they would bring a lot more ideas to the table.

The Convener: Thank you, Stephen and Natalie. I have not had to throw my pen at anyone, which is great news.

I thank Louise Marix Evans, Stephen Smellie and Andrew Burns for their contributions. I briefly suspend the meeting to allow for a changeover of witnesses.

15:33

Meeting suspended.

15:41

On resuming—

The Convener: We resume with our second panel as part of our local government inquiry. As we near the end of our evidence taking, we welcome COSLA and the Society of Local Authority Chief Executives and Senior Managers to offer the perspectives of local authority leaders. We also welcome back a representative of the Sustainable Scotland Network.

I welcome our witnesses, who are all joining us remotely. They are Councillor Gail Macgregor, COSLA environment and economy spokesperson and Dumfries and Galloway Council; David Hammond, SOLACE representative and head of sustainability, corporate property and transport at North Ayrshire Council; Silke Isbrand, policy manager in the environment and economy team at COSLA; and George Tarvit, director of SSN.

Thank you for joining us today, and for agreeing to rearrange your attendance.

As you are all taking part remotely, I cannot wave my pen at you, because you will not be able to see me. I apologise for this now, but if you get too verbose, I will just have to cut you off. If you could bear that in mind, that would be brilliant.

I will ask the first question. What do you think are the biggest challenges for reducing emissions in local authorities? A brief answer from each of you would be helpful, because I will be asking Mark Ruskell to delve further into that issue. Councillor Macgregor, would you like to start? What are the biggest challenges?

Councillor Gail Macgregor (Convention of Scottish Local Authorities): Thank you, and congratulations on your appointment as convener. I am sure that I will see your pen wagging, if that is required.

This is a massive agenda—we have spoken at length about it at previous committee meetings, but we are really reaching the cliff edge now. To contextualise the issue and the pressure that we are under, we are less than 100 months away from the 2030 targets, which is a quite a focus for the mind. In reality, with regard to enabling us to reach our many targets, resourcing is an issue, as is having the necessary skill set. During the session with the previous panel today, Monica Lennon mentioned workforce and the pressures around that.

The two main issues at the moment are ensuring that local government has the resources in place where and when they are required, as well as the skills within local government to deliver on the targets. A lot of ambitious projects will need people who truly understand their delivery but, across councils, there is definitely a shortage of skilled workforce. I am afraid that, as is always the case, resources and finance will be the most pivotal issues. Local government is completely signed up to meeting the targets, but we need greater collaboration with the Scottish Government and direction from the Parliament.

15:45

The Convener: Thank you, Gail.

David Hammond, what are your views on that?

David Hammond (Society of Local Authority Chief Executives and Senior Managers): Can everyone hear me okay?

The Convener: We can hear you perfectly.

David Hammond: Thank you for your question, convener. You will not be surprised that my answer will be very much along the same lines as Councillor Macgregor's. SOLACE's view is that

local government is geared up for the net zero challenge, but the most complex issue for us is resourcing, and flexibility in resourcing. Ultimately, the net zero challenge has a price tag. This is about the ability of local government to play its role in meeting that challenge, and we are not funded for that at the moment. As we get into the detail, I am sure that we will talk about some of the options around that funding, including private sector leverage. I tuned into the earlier evidence session, so I am sure that we will touch on some of that later. To summarise, the challenge is very much about resourcing, as well as flexibility in any resourcing that is available.

The Convener: Thank you very much, David.

Silke Isbrand (Convention of Scottish Local Authorities): Can you hear me?

The Convener: Yes, we can hear you perfectly.

Silke Isbrand: To underline what Councillor Gail Macgregor and David Hammond have just said, we have looked at the whole funding issue, especially flexibility of funding—in the sessions that were held in the spring, I think that you heard that very clearly from Glasgow. We understand that it is a funding issue. No one level of government—local, Scottish or UK—has all the funding that is required, so it is very much about being able to bring in other funding sources. In order to do that effectively, we need flexible funding. You have our submission, in which we go into deeper details around capacity, national infrastructure, behaviour change, skills, public sector frameworks and data baselining. At this point, I do not want to go into detail, but a lot of those issues speak to your question about the challenges.

The Convener: Thank you.

I will bring in George Tarvit very briefly.

George Tarvit (Sustainable Scotland Network): One issue that came up in the earlier evidence session but which has not been mentioned by colleagues in this session so far is really deep collaboration. We have good collaborative structures in Scotland and we collaborate extensively through SSN and across COSLA, SOLACE and the Improvement Service, but there is a desire and a need to deepen that collaboration and align the strategies, plans and programmes within local government and the wider public sector, in order to deliver on net zero. We have a lot of the foundations in place, so we just need to invest more actively in some of those solutions.

The Convener: Thank you.

We turn to questions from Mark Ruskell.

Mark Ruskell: To pick up on that last point, we are aware—and we had some evidence on this from the previous panel of witnesses—that there is a lot of inconsistency among local authorities. The majority of them do not have area-wide targets, although the majority do have targets for their own emissions. What are your organisations doing to develop a more coherent approach across local authorities, in order to achieve a common understanding of net zero and how targets should be applied? That question goes first to Gail Macgregor to answer from a COSLA perspective.

Councillor Macgregor: This also comes from an individual local council perspective. As we have said, what is required at the moment is collaboration and a more unified approach. That needs to be done in conjunction with the Scottish Government.

We have a lot of targets to reach, and there are a lot of initiatives from policies that are coming through from the Scottish Government; the issue is how those are developed and delivered at the local level. You will see disparities between individual councils. That is absolutely right and proper—councils should be able to develop initiatives that work for their local areas.

There has been criticism of some councils for not even having an environment committee. Again, that comes down to localism, because a lot of councils are simply embedding the climate change and net zero agendas across their entire operations. It almost does not require an individual committee to do that—it is the responsibility of every committee and every department in the council to embed and intertwine our net zero targets into all the work that we do. An awful lot that comes from ring-fenced funding for individual policies may not suit a particular area, so some councils have to modify and adapt those policies to suit their locality.

Going back to resource, it is not all about the amount of money that we are getting; it is about how that money can be used flexibly. We have a challenge in attracting skilled people into our councils. Whether we are talking about planning, economic development or people who are skilled up on the climate change agenda, there is a recruitment issue across Scotland. Until we address that, we will be left slightly on the back foot, but not without the will to do better and do more.

Mark Ruskell: In your working group in COSLA, is there political unanimity behind having a more consistent approach to targets? There are all these issues around how best to deliver targets in different-sized local authorities and so on, but is there political unanimity in your working group around having more consistency in how targets are set and planned for?

Councillor Macgregor: I will turn to Silke Isbrand in a moment, because she has been doing work with council officers on targets, reporting, scrutiny and suchlike.

At the political end, all 32 council leaders are absolutely signed up to this agenda and to making progress, but leaders will always work on the basis that local, individual, bespoke initiatives are required. Although we are signed up to the wholesale net zero agenda and the targets of 2030 and 2045, leaders would recognise that, within that, there has to be a bit of flexibility. It cannot be one size fits all—that will simply not work for Scotland or for our communities.

Silke Isbrand: I absolutely agree with Councillor Macgregor. In response to Mark Ruskell's question, and having listened to the earlier session, I want to highlight that there are certain very clear standards. The public sector reporting duty, which applies to all councils and the wider public sector, is very consistent about the way in which emissions should be reported. It is clear how each council should report its own emissions from its own properties and work. In the first reports on the public sector reporting duty later this year, you will find each council reporting on its targets and explaining how it is aligning budgets. That is coming in as we speak. We have to find our way a little bit here, because the last thing that we want to do in what is essentially a climate emergency is to spend most of our time figuring out the right way of aligning reporting between councils.

Knowing that we need to make rapid progress, absolutely at the forefront for individual authorities is that they need to know where they can have the biggest impact with their limited resources. That looks quite different across Scotland. There are councils in rural settings, where a lot of the work in the agricultural sector is really key, which is totally different from Glasgow or Edinburgh, for example. There is an absolutely clear commitment among the politicians in COSLA to put all their weight behind this.

Certain base data are the same across all local authorities, and there are data that relate more widely to place making and political influence in geographical areas, in relation to which we are finding our feet and need to work closely between local authorities as well as having constructive dialogue with the Scottish Government.

Mark Ruskell: Thank you.

David Hammond, when it comes to council officers, is there a need for more of a framework around how plans are developed to tackle climate change and how targets are set?

David Hammond: I am sure that George Tarvit will want to come in on this. As Silke Isbrand

pointed out, through the Sustainable Scotland Network—[*Inaudible.*—co-ordination with the minister and the public sector climate change reporting duty, we have a clear framework for how we capture emissions activity within the public sector. As Silke Isbrand said, there is also a target-setting requirement, which is new for this year as part of the November round.

I think that we have that framework in place. I tuned into the earlier part of the meeting. The Accounts Commission, in its report on how things are operating in this space in local government, noted that most authorities now are—[*Inaudible.*] That varies. We need to become a bit more obsessed with delivering on the targets, because I think that we are clear about where we need to go: we need to focus on buildings, fleets and food. Local government has a clear agenda around influencing that, directly and indirectly. I think that we are getting there when it comes to target setting and how data is collated.

At the SOLACE conference, which took place in Edinburgh last week, the leaders checklist was introduced—again, George Tarvit might want to say more about that. The checklist is a self-assessment tool for local authorities.

Local authorities have been working on this since the Climate Change (Scotland) Act 2009 came in more than 10 years ago. Most local authorities have made some inroads. It is about how we galvanise them and add scale and pace to what they are doing. That relates to themes such as resources and the aspects that Silke Isbrand set out earlier.

Mark Ruskell: Does George Tarvit want to add anything?

George Tarvit: Yes, very much so. I agree with my colleagues on the panel about the focus on a consistent approach. That is what our members asked for: they wanted us to try to bring more consistent approaches to the complexity of this agenda. That is easier said than done, as you can imagine, but it is the direction of travel that the SSN is trying to pursue. I would be more than happy to send the SSN's strategy to the committee.

On a related point, to get consistency we will need stability. A lot of our members out there are doing things more consistently. They are working to professional standards that come from the international protocols. The greenhouse gas protocols are becoming more robust and better understood and they are being more actively applied. The position is less inconsistent than you probably imagine, although there is certainly more work to be done. What would help our members is stability and a strategic intent, on the part of public bodies within local government, to build a

consistent approach. A lot of shifting about, with people asking whether something is a priority, what the focus is and so on, gets in the way of building that consistent approach.

It is about a process of professionalisation. There is a sense of playing into that space. As you heard from the previous panel and are hearing from this panel, there is so much more work to be done, especially as we embed the approach across the different professions in local government.

The team in SSN and I, with the secretariat and with colleagues in the Edinburgh Climate Change Institute, have been doing work, in particular in the context of area-wide emissions, to consider whether we could take more efficient and effective approaches to data, tools and capacity building. We know where we need to go when it comes to a consistent approach and the professional protocols that need to be applied; the issue is how we build the resource in Scotland. That needs investment. We need to do it in a smart, joined-up way, which I think very much lends itself to the classic shared-service approach in Scotland.

SSN has huge convening power in that space. The SSN steering group brings together local government and the various representative bodies such as COSLA and SOLACE, but also the wider public sector. There is a lot of interest from the enterprise agencies, which are looking at whether we can accelerate collaboration, so that we can make this an investable proposition at a place level. We can do a range of things in that space.

16:00

The last thing that I will say is that there has been a lot of conversation today about targets. We have a concern about overly obsessing about targets, especially when you get into the space around the wider influence of local authorities and their partners in using their procurement to drive action and to really take a role. It is harder to play targets into that equation.

The SSN strategy talks about corporate emissions, where local authorities have very tight control over their own emissions, but they also have the supply chain influence and the role around place. The further that you go into that, the bigger the impact, but there is also less direct control.

We need to be very cautious about how we focus on targets. In many ways, the focus needs to be on having a plan to achieve the targets and getting the investment in finance and people in place to get projects under way and take steps towards the targets.

The Convener: Thank you for those contributions. I am mindful that I have a lot of committee members to keep happy on my first day convening the committee, and short answers to their very short questions would help me to achieve that.

Jackie Dunbar: I will be quick. I will ask the same questions that I asked the previous panel, because I am interested in hearing your take. How have councils responded to statutory emissions reporting requirements? Are there gaps in calculating and reporting on emissions? What role might COSLA and SOLACE have in addressing those?

Councillor Macgregor: In the spirit of not using up too much time, it might be better if one of the officers answers those questions.

Jackie Dunbar: Even better. Who would you suggest, Councillor Macgregor?

Councillor Macgregor: I suspect that Silke Isbrand will be on the ball with that issue.

Silke Isbrand: Given the shortness of time, our response is that we are keen to develop public sector data reporting away from just the emissions of every council and into the wider influence sphere. Those are the geographical emissions that have been discussed. We need to do that in such a way that we do not tie down all our resources in finding the perfect reporting mechanism and that we leave enough resources to do other important work, which was the other point that was made.

David Hammond: In the spirit of brevity, on gaps, it would be fair to say that, across the local government family, a number of local authorities are still getting to grips with the impact of emissions. However, through the support that is provided by George Tarvit and his team at SSN, and the climate change reporting duty, we are starting to crack that nut. Overall, it is about resource and the collation and analysis of the data that we gather.

Jackie Dunbar: I will hand back to you, convener.

The Convener: You will be my friend for life if you are always as quick as that.

Liam Kerr: I will throw a question to David Hammond first. You quoted the COSLA submission earlier in relation to the financial pressures that local authorities face. You picked up that

“net-zero has a price tag which is not being currently met.”

I will ask a similar question to the one that I asked the earlier panel. What impact will the public pay settlements, the recent Scottish Government spending cuts and inflationary pressures have on local authorities’ ability to deliver on their net zero

ambitions? Given what we heard earlier—the submission states that there is a

“lack of flexibility of funding”—

what can be done?

David Hammond: Thank you for that question, Mr Kerr—it cuts to the heart of the matter. As Silke Isbrand said earlier, we recognise that there are no easy answers and that no tier of government has the funding available. We will have to work creatively, particularly with the private sector.

On the “price tag” that comes with net zero that we refer to, we must look at economies of scale across local government, particularly in relation to buildings and fleet. Although some of the solutions might differ locally, we have common challenges across local authorities in decarbonising heat in our buildings, and in electrifying or finding alternative fuels such as hydrogen for our fleet. We need to collaborate, including with the help of SSN.

In addition, we perhaps need closer working between local government and the Scottish Government on the funding and programmes that are available and on the criteria for those. We need to keep all that as flexible as possible. That way, we can start to work collaboratively to create investable business cases for some of the building retrofit that is required and for investment in charging infrastructure for electric vehicles.

In summary, we need to be really creative and work with the private sector. The Scottish Futures Trust is a potential vehicle that could help to broker some of the required discussions.

Liam Kerr: I am grateful for that. Gail Macgregor, do you have any thoughts?

Councillor Macgregor: I will not repeat what David Hammond has just said. Finance is very complex, as you are aware. Currently, we can make savings in about 30 per cent of our budget—almost 70 per cent of councils’ budgets is ring fenced or protected, which makes it difficult for councils to vire additional funding into things that have not been seen as priorities until fairly recently.

I will give an example. Lots of funding comes through business improvement district funds, which makes it very difficult for councils that might not have capacity in the backroom due to successive years of cuts to our economic development departments and planning departments. As a result, some councils are disenfranchised because they do not have the skills and capacity to bid for those funds. As I said earlier, if the funding was much more flexible and we had the ability to use it locally in the way that we see fit, that would be incredibly helpful.

We have high, overarching and target-driven policies, which is absolutely brilliant, but we must develop how we deliver those targets. However, without sufficient resource and skills in those areas, that will become more and more challenging as we go further down the line.

At the moment, we need any funding that comes into councils to be as flexible as possible. In relation to capital funding in particular, we need to have on-going resource funding to ensure that we can maintain capital investment. Historically, we end up with big pots of capital funding but no resource funding to ensure that we can sustain the investment.

At the moment, the biggest challenge that we face relates to flexibility around funding. However, we also need very clear targets from the Scottish Government and Parliament to ensure that we are all working together, as we should be.

Liam Kerr: Further to Gail Macgregor's comments, I want Silke Isbrand to comment on this issue because of something that she said earlier. COSLA has argued in favour of

"fewer, but larger and more flexible funding streams"

to support place-based net zero initiatives. What precisely does COSLA mean by that in practice? What aspects need to change? Is it ring fencing? Is it the non-domestic rate setting? Does there need to be more freedom on council tax? What is it?

Silke Isbrand: What it is is exactly what Gail Macgregor has highlighted about the multitude of small challenge funds that we have. A lot of the Scottish Government funding that goes to local authorities is for specific measures within the areas of heat decarbonisation, transport, recycling rates, the decarbonisation of waste management and so on. That is the situation that we find ourselves in at the moment, and, as David Hammond and Gail Macgregor have outlined, it reduces local government's flexibility to use those funds and to lever in funds from outside.

Further, the multitude of challenge funds, which have been balanced by officers in individual councils, do not allow for the effect of strategic planning for interventions. If a council has decided that a certain intervention would be effective, it cannot make a plan to make that intervention over a number of years. The situation also makes it harder to harness the co-benefits, which are important, because we are talking not only about net zero but about a just transition and protecting biodiversity as we make that transition, and so on. We might be missing a lot of co-benefits that we would be able to realise if the same money came to us in a different way, which means that we would have a higher output.

Another thing is that challenge funds, in themselves, are cost-ineffective. Leaving aside the fact that, as Gail Macgregor has highlighted, not all local authorities can use what might be on the table, the amount of officer time that is required in local authorities to handle the funds means that the process is not cost-effective for councils. We must also take into account the time that is spent by the Scottish Government or other administering bodies that oversee the challenge funds, assess bids and keep track of progress.

For those reasons, the existing money could be used in a much more effective way. That is over and above the argument that we have made with regard to the level of funding.

Fiona Hyslop: Good afternoon. I would like to talk about collaboration and co-ordination. Councillor Macgregor, what do we need to do first to improve collaboration and co-ordination between local government and central Government? In her written evidence, Louise Marix Evans said that there needs to be some kind of framework agreement or mechanism between different levels of government across the UK. Do you agree that that is needed or do you think that there is already sufficient co-ordination and collaboration?

Councillor Macgregor: For me, co-ordination and collaboration is key, not only between local government and the Scottish Government but between local government, the Scottish Government, the UK Government, our communities, businesses and so on. This is a massive issue that is going to affect everyone, and the key thing that we need to do as local authorities, particularly as we are closest to the people we serve, is ensure that we take our communities with us, too, and that they understand what our direction of travel is. At the moment, none of us are doing that particularly well.

Local government and the Scottish Government have to have a much clearer plan that is co-produced, with clear markers over the next few years with regard to what we are trying to achieve, and then, obviously, we can look at the resources that are required for that. We need to ensure that our communities are signed up to what is being done and do not just suddenly see umpteen electric vehicle charging points in their communities without consultation—it is important that, for example, they understand why the charging points have been placed where they have been.

The framework that you mention would be useful, but collaboration must be wider than just between local government and the Scottish Government. This is just too big an issue.

Over the years, a trend has developed whereby the Scottish Government announces something and we are expected to deliver it. If we have good co-production of policies, we will get a much better outcome. My plea to the Scottish Government, through the various ministers—I have met a few already—is for us to have a much more defined plan collectively. The UK Government should play its part in that, too, along with communities.

More collaboration and co-ordination is necessary, but it must be meaningful and it must be done with a co-production approach.

16:15

Fiona Hyslop: In its written evidence, COSLA calls for a mechanism to be developed

“by which we can better manage the multiple decarbonisation challenges that we face, and their impact on the economy and society.”

We all know that that needs to happen; we want to know what you think that would look like in practice.

Councillor Macgregor: You will appreciate that I am about two months into this role and am still getting my head around the various issues.

We have a good relationship with the Government, and I think that the approach will involve more dialogue between me and my team and the ministers. Obviously, we are happy to take any suggestions to COSLA leaders at any point in order to get a mandate from them, if required, but we need to do this at pace.

Silke Isbrand might be able to talk about what has happened between officers and civil servants. However, now that I have got the bit between my teeth, I will keep running with this issue until I am told to stop.

Fiona Hyslop: I appreciate that you have been in post for only two months, but our committee is about to produce a report and we are nearing the end of this question session, so it would be helpful to know what that mechanism would look like.

Silke Isbrand, do you want to come in, on the invitation of Councillor Macgregor?

Silke Isbrand: In answer to your question about what the process would look like in practice, co-production is the key word here—co-production not only of interventions but of policies, because policies that have been co-produced are more likely to be more effective. At the moment, the two spheres of government do not have any joint oversight of the climate change plan, the delivery frameworks and so on. There are huge opportunities that can be harnessed here.

Fiona Hyslop: David Hammond, you talked about there being a lot of collaboration already

between officials. Do you think that anything else is needed to provide that co-production mechanism? We all agree that everyone needs to be involved—local government, national Government, the private sector and so on—but should that be done on a place basis? Is there a role for city deals? How do we put the approach into practice?

David Hammond: Councillor Macgregor and Silke Isbrand have covered the issues. I think that there is potential to consider a framework agreement. In my view, there would need to be some structure around that in terms of clarifying roles and responsibilities between the Scottish Government, local government and the other actors in this space. At the moment, the marketplace is quite crowded and there is the potential for a lot of duplication and overlap. We need to clear the way through that and identify where the synergies are.

The point that Councillor Macgregor mentioned about co-production is important. Local government would welcome the holding of earlier conversations with Scottish Government colleagues, particularly on building and fleet challenges and on not only the roles and opportunities for local government to deliver on those agendas but what local government is not responsible for in the areas in which we have less influence, such as industrial emissions. It is important to be clear about that, too.

Fiona Hyslop: Is there a tension between local government delivering net zero targets for its own estate and responsibilities and taking leadership with regard to a place-based approach? That touches on the issue about industrial emissions, which are not on the public sector side. Would a place-based solution require local authorities to have some sort of remit or responsibility in that area?

David Hammond: This is where data is important. Under an area-based approach, it is important that councils, as local leaders on carbon emissions and climate change, are clear on—*[Inaudible.]*—in their area and on where they provide—*[Inaudible.]*—and where they can support and partner with other areas, but they should also be clear on where they have less influence and less of a remit, so that the roles and responsibilities of others, such as industrial partners, can come into play.

There is also the point that I made about synergies, through which we might start to get creative and work in spaces in local government where we have not worked previously. That is about taking an area-based approach and understanding the source of emissions. I have talked previously to the committee about, for example, public sector renewable energy

generation. A number of authorities are now coming forward with major renewable energy generation proposals, but they meet stumbling blocks with the grid, so they have asked about grid connection timescales and processes. We can work creatively to unlock some of the issues and perhaps partner with major power—[Inaudible.]—to help to decarbonise their energy requirements as well.

Fiona Hyslop: Thank you.

Natalie Don: I want to focus on communities. COSLA's written evidence calls for

"Sustainable and scalable community empowerment support",

and we heard from the previous panel about how important community empowerment will be. Can you give more information on what that support will look like in practice? I will go to Silke Isbrand first.

Silke Isbrand: That builds on Councillor Macgregor's point about linking into local communities and exploiting—that is a horrible word; perhaps it is better to say "using" or "maximising"—the potential that is there. We are clear that behaviour change is a key aspect. It is perhaps the most cost-effective intervention that can be made, and a lot more can be done in that regard. Interaction with local communities is the backbone for behaviour change, and an understanding of the implications of not adopting carbon-reducing behaviours is absolutely critical. That leads into the sort of projects that David Hammond has elaborated on.

It is clear that, across the board, whether we are talking about transport, waste or water, a lot is still to be done. There is a path to be driven, and that cannot just be done by individual councils; it needs to be done across the councils and in tandem with the Scottish Government. People need to understand that carbon-reducing behaviour is as much expected as putting on seat belts and not drink driving, and that needs to be underpinned with data and research so that every citizen can understand the consequences of their consumer choices.

Natalie Don: Absolutely. Local authorities are best placed to know their communities. We heard from the previous panel that some of the challenges are about finance, which we have discussed, but there are also challenges about education and raising awareness, which you have alluded to. Is there anything else that is important to note on the challenges and opportunities for communities? In which sectors are there opportunities for innovation, learning and partnership between communities and local authorities?

Silke Isbrand: We cannot pin it down to any one area. We have seen from some of the examples that have been given—Dundee was highlighted earlier—what local authorities can do and what they focus on. They might focus on agriculture, the greenbelt, tree planting or local industry—the biggest opportunities will be very different in different local authorities. Across the board, local authorities have the best knowledge of what is the biggest issue or the biggest thing on people's minds in their local areas. It is important that local authorities have sufficient capacity to invest in the work with local communities so that we can underpin the transition to net zero with their firm commitment.

Natalie Don: I will move on to Councillor Macgregor, and ask a similar question that I put to the previous panel. Obviously, we are policy makers at different levels. What can we as policy makers do to reduce the barriers to community empowerment?

Councillor Macgregor: That is a really good question. Communities have to be at the heart of the process. All elected members will have found that, if we have good policies, such as zero waste or recycling policies, that are well expressed and conveyed to communities and done in consultation with them, they work. However, when we do not have that level of community engagement, policies just do not work, because we get kickback and bad headlines. Much needs to be done on energy reduction and efficiency, on renewable energy projects and with community groups that are trying to achieve carbon-neutral status. There is absolutely no question that we can do all that work easily, because we are closest to our communities.

We come across hurdles that do not always involve resource. For example, we sometimes find hurdles in planning. That is not necessarily because we do not have sufficient funding in a department; it is more likely that we do not have enough skilled staff to assist. What can you as law makers do to ease some of the planning processes and regulations, which can become a bit of a barrier for community groups, councils, individual households or businesses that want to improve and play their part? It is about looking back to the Scottish Parliament and asking, "We are all on this journey together, and we all have to move together, but what can you do as law makers to relax some of the regulation, which we find bureaucratic and difficult at a local level?" That is one example.

The key thing for us is to communicate well with business and industry. We have a wealth of partners in the private sector, including the Federation of Small Businesses and chambers of commerce, and we have the enterprise agencies

across Scotland. We have good models in the city growth deals and the rural growth deals, so we have a precedent for how to look for projects in communities that can add value. However, all that takes time and resource and, ultimately, as I have said, it needs to be done on a co-production basis to ensure that we are all moving in the same direction.

Natalie Don: Thank you. I am happy to pass back to the convener.

The Convener: Colleagues, I am afraid that, in order to preserve David Hammond's sound quality, we have removed his picture. However, he is still very much there, and I am sure that he wants to answer questions. The next questions are from Monica Lennon.

Monica Lennon: I have one question on procurement. We talked about that a little in the previous session, but we ran out of time. I am keen to hear from all our witnesses on how local authorities are using procurement to make further progress on the net zero goals. Do local authority procurement rules allow for a focus on carbon savings? If there is time, perhaps someone could touch on how that is helping local economies and small businesses. I am not sure who is best to go first, but I see Councillor Macgregor waving, so I will come to her.

Councillor Macgregor: Procurement is a difficult issue across the 32 councils, because they are all very different, although Scotland Excel certainly assists with that. The key thing with procurement is that we are working through the proposed community wealth building bill, and through the work that we are doing with Mr Arthur, to ensure that all procurement is mindful of decarbonisation and net zero targets, and to make it straightforward for local authorities to embed that approach in our processes.

As I have said, not every council has an environment committee, because many work on the basis that every single piece of work that they do through every department has to involve looking at the contribution to decarbonisation and net zero. Procurement is incredibly important in that respect, particularly with food, for instance. It is about where our food and materials come from, and buying local as far as possible.

Procurement regulations relating to a just transition and net zero will probably filter through to the community wealth building bill, but we can do things before that. There is stuff that we can do without it being explicit in another bill.

16:30

Monica Lennon: That is helpful. I am pleased that you mentioned community wealth building.

Perhaps David Hammond can add to that—he might have further thoughts on that from his experience at North Ayrshire Council.

I will go to Silke Isbrand next and then David Hammond, unless David wants to come in now.

The Convener: I think that you are confusing everyone. I will bring in David Hammond.

David Hammond: I hope that everyone can hear me a bit better.

The Convener: Much better.

David Hammond: I hope that the fact that my camera has been switched off is not a different way of telling me that I have a face for radio. *[Laughter.]* I am sure that that is not the case.

I will pick up on Ms Lennon's points about procurement. As I said earlier, there is a need for economies of scale and for cross-authority and cross-Government collaboration, particularly on buildings and fleet, which are the two biggest causes of emissions that we need to tackle. When we procure solutions, we need to bundle things up to create economies of scale and more investable business cases. I will give the committee a quick example of that. The three Ayrshire authorities—North Ayrshire Council, where I work, East Ayrshire Council and South Ayrshire Council—are working collaboratively on a pathfinder exercise.

Can everyone still hear me okay? I am getting an error message on my screen.

The Convener: We can hear you much more clearly than we could during the rest of the meeting, so plug on. You are doing well, and we are hearing you well.

David Hammond: We are working collaboratively with the other two Ayrshire authorities on EV charging infrastructure. The pathfinder exercise has been brokered by the Scottish Futures Trust. I will not go into detail, but suffice it to say that we very quickly established the number of chargers and the level of investment that are required, where the chargers need to go and the role of the private sector in pulling together a financial model. That was an opportunity, and we have managed to make progress very quickly. We are coming—*[Inaudible.]*—then we can procure collaboratively across the three Ayrshire authorities. We need to do more of that in other sectors in which emissions need to be tackled.

Part of Ms Lennon's question related to procurement rules. We have been engaging with Scottish procurement to try to find ways round our current contracts through the Crown Commercial Service framework for buying power. That has been a real barrier to our proposals on renewable energy generation. We want to undertake

sleeving. I will not go into the technicalities, but the current contractual arrangements for buying power nationally across the public sector estate do not allow for that. We urge that consideration be given to major contracts that are retendered regularly to ensure that they are fit for purpose and enable the creativity that is required for different solutions to reduce our carbon emissions. That is a big part of the procurement journey that we need to go on.

Monica Lennon: Will Silke Isbrand build on David Hammond's answer by giving COSLA's point of view on how we roll out good practice? We have heard some examples from David. How can we ensure that that learning does not just sit in Ayrshire but can be shared across Scotland?

Silke Isbrand: I go back to the point that local government needs more capacity to provide the structures or to improve existing structures. It was said earlier that we have very good groundwork in place but that we still need resources to deliver some of the work. For example, in the SSN community, we have looked at procurement tools that could allow local authorities to rapidly assess which of their local providers or general providers offer products with the best carbon savings and so on.

It is very much about the tools that we need to develop further and the resource that we need in place to develop those tools. Then we can pick up best practice from individual local authorities and weave them into tools or share and develop tools between local authorities so that we increase that capacity.

George Tarvit: I have a couple of things to add to what has been said so far. Over the past couple of years, the Scottish Government has done really good work to pull the rules and tools together into one space so that people can find and access them more rapidly. They are now on the Government's website and we can point practitioners towards that.

We used to do a lot more work in the procurement space, bringing together procurement professionals and sustainability or climate change professionals in the public sector, so that they could understand each other's agendas, ways of working and so on. Much of this is less a procurement challenge than a specification issue—it is about who is determining what the authority decides to buy, how it buys and then how it creates procurement to meet those objectives. We are all trying to push procurement to achieve outcomes, but we can do far more in the space in terms of training and capacity building—we just need to be given the means to do that. We have very good connections across the public sector and with the Scottish Government in that space, but we just need that acceleration in application.

Monica Lennon: That was a very clear answer—thank you.

The Convener: The deputy convener has an interesting point on finance.

Fiona Hyslop: We are interested in how we leverage in more private finance or support from private business to address that place-based solution for net zero. Silke Isbrand, can you address that issue? We have heard that some councils, such as Glasgow City Council, are already doing a great deal of that. What are the barriers and opportunities for all councils to be able to leverage in private investment? How do we manage that in such a way that councils are not carrying all the risks? That is a concern that we have heard about.

Silke Isbrand: I will not comment on risk, but will leave that to others. On how we enable that investment, it basically comes back to the simple answer about the flexibility of the finance and having good resources available that councils know will extend over several years and can use to shape those opportunities to bring in other public sector or private sector finance, as and when there are opportunities, rather than having to stitch together three different programmes, none of which really matches with the others. The principal point is that the funding needs to be flexible so that it can be used in a strategic way to lever in other funding.

Fiona Hyslop: David Hammond, will you address the same question and whether you think that council officials have the skills required to embark on those joint ventures or to use different finance mechanisms? What is needed to share that skills base across local authorities?

David Hammond: To leverage in that private sector investment, we need solutions of scale, so that the scale of what we are procuring is of sufficient interest to the private sector. There has to be a commercial return in order for the private sector to be interested in financing and partnering with us. As the deputy convener said, we need to have a clear understanding of risk; the public sector needs to be risk aware and not necessarily risk averse, because of the scale of the challenge.

We have some tried and tested methods. For example, there was the wave of non-domestic energy efficiency projects—my local authority participated in that—where there was a set contract around how energy efficiency measures were installed in public buildings. There was a suite of buildings, a suite of measures, a price tag for those and guarantees in terms of the cost reductions and savings, which helped to finance the investment that was required—although there was also an element of private finance.

I already mentioned that I see the Scottish Futures Trust as a potential vehicle, given that it has been successful in other areas, such as the electric vehicle charging project that we are involved in. The Scottish Futures Trust has skills and knowledge that might fill some of the gaps in the public sector that you touched on in relation to the larger contracts and deals and the complexity that comes with them.

Fiona Hyslop: Councillor Macgregor, do you have any views on that in relation to housing and—if we are taking a place-based approach—private housing and transport, which could involve buses as well as electric vehicle charging and so on? If we are going to do this at scale, have you already embarked on a discussion with the Scottish Government on that? How do we get those big mechanisms available for finance at scale? Is that a definite must for the future?

Councillor Macgregor: Those conversations have started since I came into the role. Active travel is a prime example. We know that a lot of money is being committed to that over this parliamentary session. We now need to establish what will give us the best bang for our buck in our communities, what is required in terms of active transport initiatives, where they need to be, the differences between rural and urban settings and mapping that significant investment so that it really delivers for the communities that we serve.

On housing, we have aspiration, and we are part of the machine that will enable additional housing in our communities. Direction has to come from the Government, more than ourselves. We have become a partner in that. That goes back to the point that I made earlier: anything that we do in co-production will deliver a better outcome, whether that is in transport, housing, zero waste or any of the agendas that we have signed up to. If we can co-produce those with the Government and have complete sign-up from across the Parliament, we will get a much better outcome than if we have a diktat that we all look at and which becomes very difficult to deliver.

Active travel is very ambitious and there is a lot of funding behind it, but we need to create what our communities need as well as having an eye to our net zero targets. However, as I said, there is nothing more important than co-production.

Fiona Hyslop: Is COSLA involved in Minister Harvie's green finance task force on housing?

Councillor Macgregor: There are a broad number of themes. We have not met on that specific issue but I have met Mr Harvie to discuss a broad range of issues. We will continue with that agenda.

The Convener: I have one more question for Gail Macgregor. Having listened to the evidence

and read through quite a lot of reports, I am struggling to come to terms with the scale of the problem and the cost of resolving the issue. I will take the discussion to a place in the Highlands where there are 873 social houses, 540 of which do not reach an energy performance certificate C rating. The surveyor in me says that to address that will cost between £15,000-£40,000 for each house so, in total, at the top end it would be about £21 million and at the bottom end it would be £12 million. If we roll that out across the whole of the Highlands, we are probably talking in excess of £150 million, just to get the social housing up to an EPC rating of C. How do we quantify the policies that have been talked about? Do we know what they are going to cost? If we do not know what they are going to cost, are the policies going to be valid when they are introduced? What work have you done with your colleagues on that issue?

Councillor Macgregor: You have just highlighted the magnitude and the scale of the issue that we are dealing with—there is no question but that this will be the biggest issue that we will deal with in our lifetimes. We should not be afraid to say that we have not cracked it yet, that it could be a while before we do and that we all need to be doing better.

I do not have specific figures on what this is actually going to cost because there are so many things that need to be dealt with—David Hammond nodded towards that earlier. We have discussed active travel, zero waste and housing, but the list is endless. I do not have that data to put a price tag on all of that—although Silke Isbrand might.

That really emphasises the importance of the issue. We have the targets, but we need to break this down into pieces that we can deal with so that we can begin to get to the hows rather than just the targets. We all know within our communities, with things such as electric charging points, what can be of benefit and what can be a short-term fix or hit, but we also have longer-term aspirations. It will cost far more money than local government or the Scottish Government can cope with—possibly more than even the UK Government can manage. We should not undersell that point. It does not make us weak, but shows strength and confidence that we are acknowledging that it is going to be a massive challenge.

Silke Isbrand may have some figures but I very much doubt whether we have a global figure.

The Convener: I will leave that hanging because the target of social housing reaching EPC C rating is only three years away. If we are going to achieve that in three years, we ought to know the cost of it.

I thank the panel members for giving evidence this afternoon and for rescheduling the meeting given everything that was going on last week. That concludes the public part of the meeting.

16:46

Meeting continued in private until 17:16.

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