



OFFICIAL REPORT  
AITHISG OIFIGEIL

# Net Zero, Energy and Transport Committee

Tuesday 8 October 2024

Session 6



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**NET ZERO, ENERGY AND TRANSPORT COMMITTEE**  
**30<sup>th</sup> Meeting 2024, Session 6**

**CONVENER**

\*Edward Mountain (Highlands and Islands) (Con)

**DEPUTY CONVENER**

\*Michael Matheson (Falkirk West) (SNP)

**COMMITTEE MEMBERS**

\*Bob Doris (Glasgow Maryhill and Springburn) (SNP)

\*Jackie Dunbar (Aberdeen Donside) (SNP)

\*Monica Lennon (Central Scotland) (Lab)

\*Douglas Lumsden (North East Scotland) (Con)

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

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Matthew Eastwood (Transport Scotland)

Fiona Hyslop (Cabinet Secretary for Transport)

Silke Isbrand (Convention of Scottish Local Authorities)

Gillian Martin (Acting Cabinet Secretary for Net Zero and Energy)

Jamie McGrandles (Environmental Standards Scotland)

Philip Raines (Scottish Government)

Mark Roberts (Environmental Standards Scotland)

George Tarvit (Sustainable Scotland Network)

Clare Wharmby (Scottish Climate Intelligence Service)

**CLERK TO THE COMMITTEE**

Peter McGrath

**LOCATION**

The Mary Fairfax Somerville Room (CR2)



## Scottish Parliament

### Net Zero, Energy and Transport Committee

*Tuesday 8 October 2024*

*[The Convener opened the meeting at 09:06]*

### Decision on Taking Business in Private

**The Convener (Edward Mountain):** Good morning and welcome to the 30th meeting in 2024 of the Net Zero, Energy and Transport Committee. The first item on the agenda is to decide whether to take items 6, 7 and 8 in private. Item 6 is consideration of evidence heard today on the Environmental Standards Scotland's investigation, item 7 is consideration of the draft report on the legislative consent memorandum on the United Kingdom Passenger Railway Services (Public Ownership) Bill and item 8 is consideration of the contract with our adviser on environmental standards. Do we agree to take those items in private?

**Members** *indicated agreement.*

## Subordinate Legislation

### Vehicle Emissions Trading Schemes (Amendment) Order 2024 [Draft]

09:06

**The Convener:** The second item is consideration of a draft statutory instrument. I welcome Fiona Hyslop, the Cabinet Secretary for Transport, Micheala West, solicitor, Scottish Government, and Matthew Eastwood, head of electric vehicle infrastructure, low-carbon economy directorate, Transport Scotland.

The statutory instrument is laid under the affirmative procedure, which means that it cannot come into force unless the Parliament approves it. Following this evidence session, the committee will be invited, under the next agenda item, to consider a motion to recommend that the instrument be approved. I remind everyone that the officials can speak under this item but not in the debate that follows.

Cabinet secretary, I think that you want to make a short opening statement. I always say that in the hope that any statement will be short. Over to you.

**Fiona Hyslop (Cabinet Secretary for Transport):** Good morning. I always strive to be brief, convener. Thank you for inviting me to appear before you today to discuss the draft Vehicle Emissions Trading Schemes (Amendment) Order 2024, which seeks to extend the territorial extent of the trading schemes to include Northern Ireland.

In 2019, the Scottish Government declared a climate emergency and announced that Scotland would address the challenge by working collaboratively to decarbonise all areas of the Scottish economy in order to reach net zero emissions by 2045.

Transport is the largest contributor to Scotland's greenhouse gas emissions, making up to 31.7 per cent of all emissions in 2022, with road transport contributing to 70 per cent of those emissions. That is why, working with the UK Government and the Welsh Government, we passed the Vehicle Emissions Trading Schemes Order 2023, which came into force in Scotland from January 2024. On 21 November 2023, this committee recommended to the Scottish Parliament that we approve the 2023 order.

That devolved legislation mirrored legislation introduced by the UK Government and the Welsh Government in order to create a Great Britain-wide set of mechanisms to increase the sale of zero-emission cars and vans and to reduce emissions of new non-zero-emission cars and vans. Working

closely with the UK Government and the devolved Governments of Wales and Northern Ireland, we are bringing forward an order to extend the scheme to Northern Ireland. The order, which is supported by the UK Climate Change Committee, is before you for consideration.

The vehicle emissions trading schemes put legal obligations on car and van manufacturers. The zero-emission vehicle mandate sets annual targets of sales of new zero-emission vehicles, ramping up to 80 per cent of new car sales and 70 per cent of new van sales in 2030. In parallel, the CO<sub>2</sub> trading schemes incentivise manufacturers to continue to drive down emissions from non-zero-emission cars and vans.

The UK Government analysis estimates that, through those schemes alone, there will be a saving of 420 million tonnes of CO<sub>2</sub> emissions across the UK by 2050, with 40 million tonnes of CO<sub>2</sub> saved in Scotland.

Since the introduction of the vehicle emissions trading schemes legislation across Great Britain earlier this year, fully electric cars now account for 17.2 per cent of total sales. There are now more than 96,000 electric vehicles on Scotland's roads, and more than 62,000 are fully electric.

Vehicle manufacturers and charge point operators have called for clarity, consistency and ambition from Government. The vehicle emissions trading schemes have provided that clarity and, as of the end of August, in part due to increasing private sector investment and public electric vehicle charging infrastructure, Scotland has more than 5,900 charge points. We will certainly meet our target of 6,000 public charging points by 2026.

Today, we are seeking the committee's support to extend the vehicle emissions trading schemes to include Northern Ireland, and I invite the committee to recommend to the Scottish Parliament that the order be approved.

**The Convener:** Thank you, cabinet secretary. I am looking round to see whether members have any questions.

I ask that you help me out, if you do not mind. At the tail end of last week, I heard that electric vehicle sales are not going as fast as they should be, and there was a cry for the UK Government to undertake more work. Is that your feeling? I am just interested in—

**Fiona Hyslop:** I might bring in Matthew Eastwood on that. On where things are heading, there has definitely been an increase in uptake, and the scheme has assisted with that.

Anecdotally, there are differing views as to where the market is. I think that the used electric market is in a much stronger position, with the

pricing for used EV and fossil fuel-powered vehicles being similar.

There are mixed messages about where the market is. I understand the manufacturers' desire for more incentives, because that saves them from any penalties or increased charges that they would face under the schemes.

Of course, we have been the only country in the UK that has had incentives in the form of loans to help people to buy electric vehicles. I suspect that the new UK Government will do something similar. We are now targeting our loan scheme at people who live in rural and island areas, for example, and whose earnings are under £50,000.

I will not be definitive as to where the market is. I have heard different views about that, but I think that it is reasonably buoyant and moving the right way. I suspect that the issue is that manufacturers would like the comfort of it moving faster. I expect that the truth is somewhere in between.

I ask Matthew Eastwood to shed some light on the current situation?

**Matthew Eastwood (Transport Scotland):** September this year was the best-ever month in the UK for the sale of electric vehicles. More than one in five vehicles sold was an EV. EV sales in the UK outpaced EV sales in equivalent markets in the European Union, which does not have a similar scheme. Regulations in the European Union focus on vehicle emissions, which is about driving down the average emissions of petrol and diesel cars, whereas in the UK we have the VET schemes, which mandate the sale of electric vehicles. That is why we have seen proportionally greater sales of EVs in the UK compared to similar markets in other parts of the world.

**The Convener:** That is helpful. You used UK figures. How is it going in Scotland?

**Matthew Eastwood:** We do not have Scotland-specific figures yet. We should have those shortly, and we can provide them to you. We understand that the uptake of EVs here is similar to the UK figures.

**Fiona Hyslop:** One issue that we have to bear in mind is that we think that there is an underestimate of the Scottish figures. For example, the purchasing of fleet vehicles is centred in England, and such purchases count towards the English figures. We think that the figures for Scotland are far higher. There have been recent studies to identify that, so I note there is a caveat with our figures as well.

**The Convener:** There is a health warning on the figures. Bob Doris wants to come in, to be followed by Mark Ruskell.

**Bob Doris (Glasgow Maryhill and Springburn) (SNP):** Cabinet secretary, I was not going to come in until you mentioned the target of 6,000 EV charge points in Scotland by 2026. In recent months, I have been contacted by a constituent who is a wheelchair user and requires a PAS 1899 standard charging bay. I know that this is quite technical, but having Matthew Eastwood here presents an opportunity to ask about that. I believe that Glasgow City Council has installed only four such bays, all of which are at the same location. From my correspondence with the council, I am aware that is keen to do much better than that.

A barrier is faced in ensuring that charge points are not just available but accessible. Cabinet secretary, I know that you are responsible for the policy, but, given that Mr Eastwood is here, I thought that that was a reasonable point to put on the record and to get additional information on.

09:15

**Fiona Hyslop:** I will bring in Matthew Eastwood, but it might be helpful—

**The Convener:** Sorry to interrupt, cabinet secretary. I am not so good when it comes to figures and definitions of charge points. Will somebody explain what charge point is being referred to? Is it not just a simple one? Sorry, Matthew, but you nodded when Bob Doris gave that figure. It would help me to understand that.

**Matthew Eastwood:** I think that the figure that you are referring to is public charge points. Those are charge points that are available for use by members of the public as opposed to charge points for fleet vehicles or a charge point in a domestic setting.

**The Convener:** Ah.

**Bob Doris:** I have a constituent who wishes to buy an electric car and requires the use of PAS 1899 standard charge points. The standard ensures that, for example, there is enough space in a bay to enable them to charge their car outwith the home. We are not doing very well on such provision at the moment. Is that under the Government's radar? What is the target to improve things?

**Fiona Hyslop:** The Scottish Government does not provide charge points. We provide funding to help different public bodies, local authorities and, in some cases, homes and businesses and so on.

We have an electric vehicle infrastructure fund that is worth £30 million. Some of that funding has already been released to different authorities, such as Dundee City Council and Highland Council—I announced that earlier in the summer. Glasgow

City Council has submitted an application, and that is one of the applications that is being considered.

I suspect that you might want to raise the issue directly with Glasgow City Council and ask it what type of provision it would use any such funding for. The purpose of the funding is also to generate private funding. This year, we think that about £40 million to £50 million of private funding will be put into EV charging.

Specifically on the details of the type of provision, I think that we all want to make sure that EV charging is accessible, but, in your constituent's case, Glasgow City Council has responsibility for delivering that.

I also point out that regulations that are the responsibility of the UK Government were introduced last November, and that the regulation of EV charging is a reserved matter.

**Bob Doris:** That is really helpful. I think that the Scottish Government had an official helping to develop those UK-wide regulations. It might be that the PAS 1899 standard on EV bays has only recently become live.

I am already corresponding with Glasgow City Council and I will continue to do so. If I take a step back, I note that we have 32 local authorities and a nationwide endeavour to ensure that charge points are accessible to wheelchair users and others with disabilities. The issue is how the Scottish Government will collate that information.

**The Convener:** I believe that Mark Ruskell had a question.

**Mark Ruskell (Mid Scotland and Fife) (Green):** I have two quick questions. One is about the former Prime Minister's announcement on the phase-out of fossil fuel-powered cars and whether that has had any bearing on UK policy. Is UK policy pretty much predictable, with no changes in the measures that we are talking about today, or has the then PM's announcement introduced some uncertainty in that regard?

**Fiona Hyslop:** The VET scheme would operate separately from that; there is no interdependency. The VET scheme is achieving things, which is good.

On what the new UK Government's view is on phasing out, that is a matter for it to relay. Labour had a manifesto commitment. It will be up to ministers to relay what their position is on timing or what they intend to do with that.

On Thursday, I met two of the new UK Government ministers, including the Minister for the Future of Roads. They have to address what they might do on the matter, but we will hear from them on that; it is not my place to speak for them.

**Mark Ruskell:** Okay, that is fine.

The other issue is about local councils and the ability of householders and businesses to connect to an EV charge point at their home or business the car or van that is sitting outside on a public highway. There are planning issues around cables crossing footways, but I know of a number of local authorities that have effectively provided a derogation to enable certain types of guttering to be put on to the footway to enable homeowners and businesses to charge at home using a more attractive, cheaper tariff. Is there any progress with councils on adopting more enlightened planning rules to enable people to use those more attractive tariffs?

**Fiona Hyslop:** Clearly, the instrument is about extending the schemes to Northern Ireland. As soon as you start talking about electric vehicles, everyone automatically switches to talking about charging, because being able to charge is what gives people confidence to purchase. I understand the connection. Those issues are live and they are current, and I have asked my officials whether there is anything that we can do to help on planning.

I had a very interesting visit to Trojan Energy, a company that is looking at pavement charging quite innovatively. As I said, there are concerns about access and disabled people, and making sure that they do not face any obstruction. That is the key point. The Trojan Energy product is flat—it is flush—but with a Hoover-like extension that you keep in your car and plug in.

There are guttering proposals and different things that can be done. Helping people who do not have driveways will be one of the key things in increasing uptake. I have asked my officials to carry out a piece of work to look very closely at that.

**The Convener:** There is a problem when you come to a meeting, cabinet secretary: we never have enough time in our programme to see you as much as we would like. We have lots of questions.

Monica Lennon will be followed by Douglas Lumsden, and we will see where we go from there.

**Monica Lennon (Central Scotland) (Lab):** Thank you. I want to ask a couple of brief questions about some of the minor amendments that the instrument brings into effect.

First, the instrument allows hydrogen fuel cell vehicles to be classified as zero-emission vehicles under the VET schemes. Do you welcome that? Will it bring any challenges? You have given us some figures on electric vehicles, but do you have up-to-date figures on hydrogen fuel cell vehicles in Scotland?

**Fiona Hyslop:** Hydrogen is considered to be more appropriate for heavy goods vehicles. We recently published one of the outcomes from the zero-emission truck task force, and we are the first in the UK to plot where EV charging points and hydrogen stations need to be for HGV fleets. It is a mixture of both. We asked where that infrastructure should be, logistically, if we had it. That required information to be shared, which is quite a challenge given the competitive HGV market. However, we worked well with the sector. There is speculation about the use of hydrogen elsewhere, but that is less the case with cars and vans, and the instrument is about cars and vans.

Before I became responsible for this area, my understanding was that the schemes were always meant to be technology neutral, and instrument ensures that they are. As you point out, the original order would have precluded hydrogen, but the order that is before the committee includes it.

I think that we have some way to go before we see the development of hydrogen in cars and vans, which are the subject of the scheme.

**Monica Lennon:** I note that there is to be a financial penalty if someone provides false or misleading information under article 87 of the 2023 order. I presume that you welcome that. What resources and intelligence are in place for enforcement? Who will be responsible for enforcement?

**Fiona Hyslop:** Clearly, that is a UK responsibility. We do not manufacture cars in Scotland any more. Indeed, the former British Leyland site is in my constituency—it was a manufacturing outlet and is now a massive housing scheme. This is about sales by manufacturers. It is primarily targeted at England, and enforcement, penalties and so on will be the responsibility of the UK Government.

**Monica Lennon:** That is fine. I just wanted to know whether there are any duties on or implications for the Scottish Government.

**Matthew Eastwood:** No, there are no duties on the Scottish Government. The Department for Transport is responsible for administering the schemes.

**Monica Lennon:** That is helpful. Thank you.

**Douglas Lumsden (North East Scotland) (Con):** I have a couple of questions. Plug-in hybrids can be zero emission or they can be running on petrol all day. How were they handled in the scheme, if at all?

**Fiona Hyslop:** I ask Matthew Eastwood to cover that.

**Matthew Eastwood:** The schemes make provision for plug-in hybrids as well. The UK

Government position on plug-in hybrids is that they form part of the solution in the context of the VET schemes but also in the context of the ban on certain vehicles.

**Douglas Lumsden:** Will they be part of the ban?

**Matthew Eastwood:** I think that the intention under the schemes is ultimately to phase out the sale of all fossil fuel-powered vehicles, but there is an acknowledgement that there will be a period when they can still be sold. That will be after the point at which we will no longer see vehicles that are exclusively powered by fossil fuels sold and on UK roads.

**Douglas Lumsden:** That is helpful.

Cabinet secretary, I think that you mentioned the 6,000 target for EV charge points, and the figure of 30,000. To provide a little bit of clarity, I do not think that those include home charge points at all. The target covers all publicly available charge points, such as those provided by service stations and supermarkets, but not those provided by local authorities. Is that correct?

**Fiona Hyslop:** You are correct that the target does not include homes or businesses; it is about publicly accessible charge points. On the expansion, one of the first things that I did when I became the Minister for Transport was to launch our EV vision for charging. With the target, we wanted to ensure that we maximised private as well as public provision. The EV infrastructure fund that we are rolling out as we speak will ensure that there can be a combination. It is about how we leverage private funding into the provision of publicly accessible charge points. We are well on the way towards meeting our initial 2026 target.

I was struck by figures from the Scottish Futures Trust that show that, in 2023, there was roughly £25 million to £30 million from private investment, which it anticipates will be £40 million to £50 million this year. I opened the rapid charging provision in Dundee, for example, which obviously has a private sector lead.

**Douglas Lumsden:** I have a question about charging price inequalities. There is one price for charging an EV at home, but the cost for charging at a service station, for example, could be 10 times higher. That is obviously an issue. As Bob Doris said, you are almost penalising the people who cannot charge at home. Are you looking into that? Are any studies being done into the price inequalities?

**Fiona Hyslop:** I think that your point is about the evolution of charging. Free charging was an incentive for people, and initially there was some free charging provision. We have just talked about private investment. There is a return from

charging, and there are differences in pricing in the market. If you can use cheaper energy at home, particularly at the times when energy is cheaper, that is ideal. However, how can you charge your EV when you do not have access to a charging point in your driveway because you do not have a driveway? That is why I am particularly interested in what we can do for on-street charging.

There are some innovations in on-street charging that do not necessarily use domestic pricing. I give the example of Haddington, where the first conversion of Openreach's green furniture into accessible charging points was developed. That helps people in a housing scheme in Haddington that is near the edge of the town, as they do not have to drive into town to charge.

We can get a sea change if we can support on-street charging. Funding has already been made available to enable factors to provide charge points at tenements, so they can be provided on a collective basis. We have already looked at how we can support people in that regard.

**Douglas Lumsden:** Is there a regulatory role for Government to play in stopping people getting ripped off by EV charge points that cost, as I said, 10 times more than it would cost to charge at home?

**Fiona Hyslop:** I think that there is. However, as I pointed out, EV regulation is the responsibility of the UK Government.

09:30

**The Convener:** I think that we are drifting away slightly. We could get on to the pricing of electricity for charging cars in the Parliament, which of course is free. I have never really understood that.

Members have no more questions, so we will move on to agenda item 3, which is a debate on motion S6M-14319, which calls on the committee to consider and recommend approval of the draft order. I ask the cabinet secretary to speak to and move the motion. I am happy if you just want to move the motion, cabinet secretary.

*Motion moved,*

That the Net Zero, Energy and Transport Committee recommends that the Vehicle Emissions Trading Schemes (Amendment) Order 2024 [draft] be approved.—[*Fiona Hyslop*]

**The Convener:** Thank you. There are no contributions from members, so I fear that there is nothing for you to sum up, cabinet secretary. Do you want to sum up?

**Fiona Hyslop:** No—you have a very full agenda, convener.

**The Convener:** Thank you.

*Motion agreed to,*

That the Net Zero, Energy and Transport Committee recommends that the Vehicle Emissions Trading Schemes (Amendment) Order 2024 [draft] be approved.

**The Convener:** Thank you. The committee will report on the outcome of our consideration of the instrument in due course. I invite committee members to delegate authority to me as convener to approve the draft report for publication. Do members agree?

**Members** *indicated agreement.*

**The Convener:** I thank the cabinet secretary and her officials. In the interests of time, I will move straight on to the next item while she and her team move on.

**Local Services Franchises (Traffic Commissioner Notices and Panels) (Scotland) Regulations 2024 (SSI 2024/229)**

**The Convener:** Item 4 is consideration of three Scottish statutory instruments. As the instruments have been laid under the negative procedure, they will come into force unless the Parliament agrees a motion to annul them. No motions to annul have been lodged, and the Delegated Powers and Law Reform Committee had no comment to make on any of the instruments in its report.

I will seek views on each instrument in turn. Do members have any comments on the Local Services Franchises (Traffic Commissioner Notices and Panels) (Scotland) Regulations 2024? Mark, you were quick with your hand.

**Mark Ruskell:** Yes. I have a concern about this SSI. Obviously, concerns have been expressed about bus franchising, and I think that it is fair to say that the history of rolling out bus franchises across the UK is a pretty chequered one. I am aware that this SSI comes out of the Transport (Scotland) Act 2019, but there is currently a petition before the Parliament from Get Glasgow Moving, which has raised significant concerns about the process set out in the SSI, particularly the role of unelected officials in deciding whether a franchise can go ahead.

I think, therefore, that we are at quite a critical point. I know that Strathclyde Partnership for Transport is looking into the potential of franchising, and given that it will take significant investment just to do that preparatory work, there is a need for clarity on how this will work and whether there might be any intentional or unintentional biases or conflicts of interest within the panel that is appointed.

As a result, it is important that the committee takes evidence, certainly from the petitioners and those with experience of how similar franchising decision-making processes have been working

down south, and that we reflect on that, ahead of Parliament making a decision to let this SSI pass—or not, as the case might be.

**The Convener:** Thank you very much. Now everyone's hands are going up. I call Monica Lennon, to be followed by Bob Doris.

**Monica Lennon:** I, too, am mindful of the petition by Get Glasgow Moving that is with the Citizen Participation and Public Petitions Committee, and I agree that we need to take further evidence on the SSI. I certainly have a number of questions that we will not get answers to today from just talking among ourselves.

Indeed, I think that these concerns are shared more widely. I am not entirely sure about some of the things that have happened in England and I think that the legislation in that respect might have changed, but we need to try to bottom that out and understand, too, the role of the traffic commissioner for Scotland in all of this. I would therefore welcome it if we took more evidence and heard from some of the key stakeholders, including Get Glasgow Moving.

**Bob Doris:** The Get Glasgow Moving petition is really interesting. Initially, it appears that it seeks to redraw primary legislation, if it were to move through Parliament and be successful. Today, however, we are looking at secondary legislation for something that was agreed by the Parliament in 2019. Therefore, although there is a connection between the petition and what we are looking at today, I do not think that it is a direct one.

The Citizen Participation and Public Petitions Committee will have to be allowed to decide how it wishes to scrutinise and go forward with the petition. The question in my head is whether, if we do not pass this negative instrument or allow it to move forward, there will be any pathway for franchising bus services in Scotland. In that respect, I am very mindful of SPT's ambitions to improve the bus service via franchising in Glasgow.

That said, I agree with Mark Ruskell MSP that we need more information on how all of this works. It is very reasonable for Get Glasgow Moving to seek clarity on the role of the traffic commissioner and the panel that would be appointed, and the criteria by which they might or might not make decisions.

As I say, there is absolutely a need for more information, but I just want to put on record that there are two moving parts here. The first is Get Glasgow Moving's commendable efforts to seek a wider scrutiny role for the Parliament with regard to primary legislation that it has already passed, and the second is the secondary legislation that we are looking at and which provides a pathway to bus franchising. The two things are connected, but

not directly so. Again, I would absolutely welcome more information from the Scottish Government, and it would be helpful if we could get some clarity on the role of the traffic commissioner, too.

**Douglas Lumsden:** I agree with Mark Ruskell and Bob Doris. We need to hear both sides of the argument, and it would be good to hear from the Scottish Government, too, as Bob Doris has recommended. It is clear that we need another evidence session before we move forward with this.

**The Convener:** Now that we have talked this through, we find ourselves in a difficult situation. The SSI's commencement date is, as I understand it, 1 November. The next evidence session that we could have would be on 29 October, which clashes with stage 2 of the Climate Change (Emissions Reduction Targets) (Scotland) Bill, and in the middle of all that comes recess. I am not seeking to incite riot, if that is the right description, but if anyone wants to lodge a motion to annul, they have to do so before the committee's evidence session—that is, on 28 October. I note that Bob Doris wants to speak—I will come to you in a minute, Bob, if I may.

Three members feel that more evidence is needed, and Bob Doris, too, has suggested that that might be the case. Is this something that we could deal with in writing prior to the committee meeting? That would allow us to get evidence and then make a decision on whether we need to take evidence on 29 October. Do Mark Ruskell, Monica Lennon and Douglas Lumsden, who have all made the suggestion, feel that an evidence session is required anyway? I am interested in hearing your views on that.

**Mark Ruskell:** I think that it requires an evidence session, yes.

**Monica Lennon:** I agree. I know that the committee has a big workload, but I think that this is important.

**Douglas Lumsden:** I think that we need more information. However, could a motion to annul be lodged and then withdrawn, once we hear the evidence?

**The Convener:** Indeed it could. My understanding is that a motion to annul can be lodged in advance and then not moved on the day.

I am just thinking of timetabling. I am looking at the deputy convener and whether he has any suggestions. I think that writing to people would be helpful, and it might be suitable to warn them off with regard to the meeting on 29 October.

**Michael Matheson (Falkirk West) (SNP):** I have no problem with taking further evidence on the issue, but my overarching concern is that if we were to annul these regulations, there would be no

pathway for bus franchising. If the view is that the existing and, indeed, additional safeguard that was put into the legislation at the time is not enough—that is, the provision relating to the traffic commissioner, which was put in because of an issue with regional transport planning authorities doing this on their own and whether they would get it right—the only recourse that we will have will be to primary legislation in order to legislate for something different.

I am just mindful of that issue. There needs to be a pathway for bus franchising, which I am a fan of—indeed, that is why it was in the legislation. If there were a motion to annul and the committee were to agree it, there is a risk that we would have no pathway to franchising in Scotland. From my understanding of what we have heard, primary legislation would then be required, which I suspect would put things back by years.

**Bob Doris:** The deputy convener has made a reasonable comment about the potential unintended consequences of not passing this secondary legislation. Clearly, we are at the very least going to correspond with people—we still have to establish what else we might or might not do—so I am keen to find out, perhaps from the Government, how easy it would be for the Scottish Government to listen to on-going concerns if the instrument were to be passed. After all, the Citizen Participation and Public Petitions Committee will be doing a piece of work separate from what we do. I wonder whether, theoretically, the Government could lay a supplementary negative instrument at a later date, depending on whether it feels that there has been a weight—[*Inaudible.*]—more about the process in relation to that.

**The Convener:** Can I make a suggestion on a way forward and see whether it meets with the committee's approval? First of all, I think that we should take evidence in writing. If we were going to do that, I would invite committee members to submit to the clerks any questions that they would like answers to. The clerks could then send them off, and we would give a tight timescale to ensure that we got responses before 28 October to allow people to make a decision.

We could then have a short evidence-taking session on the morning of 29 October. It would mean an earlier start, but we would probably have to get the cabinet secretary in as well as any witnesses recommended by the clerks. We could take the decision on the instrument then. As far as I am aware, we have no leeway on the final date, because the SSI has to go through the Parliament. I am looking at the clerks as I say that, and they are confirming that to me.

Are we happy with that as a reasonable way of dealing with the matter?

**Jackie Dunbar (Aberdeen Donside) (SNP):** I have a question. How can we do this and a stage 2 on 29 October?

**The Convener:** That is an extremely good question, and I do not know the answer to it. I do know that we have a final date for lodging stage 2 amendments—I am just looking at the clerks, who are confirming to me that that date is 23 October. I will have a pretty good idea of how long that item will take once I have looked at the groupings with the legislation team, and we can then work our way through the timings. Given the timescale set by the Parliament, we might have to do what we did last week and look at meeting while Parliament is sitting.

I know that that is not a great solution, Jackie, but I see no way round it if we are going to give the matter proper scrutiny.

**Jackie Dunbar:** I hear what you have said about 23 October, convener, but we cannot really make a decision today if we do not know what is going to happen until then.

**The Convener:** Indeed. We are slightly hamstrung by that date, and we also do not know whether the questions from committee members will be answered satisfactorily enough so that they feel no need to have an evidence session on 29 October.

I am afraid that I see no way round it. I know that there are all sorts of problems with this. It is not my intention to put this to a vote, but we have a situation in which three members appear to be uncomfortable with things; I have not disclosed my position; and there appears to be three members who are relatively comfortable with it.

**Jackie Dunbar:** I have not given my opinion yet.

**The Convener:** Well, I am just assuming that. It might be a bad assumption.

Nevertheless, I think that we need to take evidence and I am suggesting that as a way forward. We can have a brief discussion of timescales when we go into private session to ensure we have enough time to do this.

I know that it is not a perfect solution, but is the committee happy to move forward with it?

**Members indicated agreement.**

**Jackie Dunbar:** I am content more than happy, I would say. I still have reservations.

**The Convener:** I note that the committee is content to move forward with it.

### **Bus Services Improvement Partnerships (Multi-operator Travel Cards) (Scotland) Regulations 2024 (SSI 2024/243)**

**The Convener:** We move on to the next negative instrument. If no one has any comments, does the committee agree that it does not wish to make any recommendations on the regulations?

**Members indicated agreement.**

### **Public Service Vehicles (Registration of Local Services) (Bus Services Improvement Partnerships Service Standards Decisions) (Appeals) (Scotland) Regulations 2024 (SSI 2024/248)**

09:45

**The Convener:** Finally, we will consider the Public Service Vehicles (Registration of Local Services) (Bus Services Improvement Partnerships Service Standards Decisions) (Appeals) (Scotland) Regulations 2024. That was quite a mouthful.

If members have no views or comments, does the committee agree that it does not wish to make any recommendations on the regulations?

**Members indicated agreement.**

**The Convener:** I think that this would be an apposite moment to suspend the meeting for five minutes to allow us to get ready for the next panel.

09:46

*Meeting suspended.*

09:50

*On resuming—*

## **Environmental Standards Scotland Climate Change Targets Delivery Improvement Report**

**The Convener:** Welcome back. Under item 5, we are considering a Scottish Government improvement plan in response to an improvement report from Environmental Standards Scotland. The report relates to an investigation that ESS began in May 2022 into how well supported local authorities are in contributing to statutory national climate change targets. ESS made five recommendations to the Scottish Government, four of which have been resolved. Recommendation 4, relating to local authorities' reporting on scope 3 emissions, was not resolved to ESS's satisfaction, so the Scottish Government had to prepare an improvement plan and lay it before Parliament. That is what we are discussing today.

I am pleased to welcome our first panel of witnesses: Silke Isbrand, policy manager, environment and economy team, Convention of Scottish Local Authorities; George Tarvit, director, Sustainable Scotland Network; Mark Roberts, chief executive officer, Environmental Standards Scotland; Jamie McGrandles, head of investigations, standards and compliance, Environmental Standards Scotland; and Clare Wharmby, programme director, Scottish Climate Intelligence Service.

We will go straight to questions. You are not getting an opening statement, as much as you might like one. I will ask a very gentle question to start with. I seek your overall views on the improvement plan published by the Scottish Government in September this year. Does it properly address the unresolved recommendation of the ESS report? Let us start on my left, which is your right. Silke Isbrand, do you want to go first?

**Silke Isbrand (Convention of Scottish Local Authorities):** Thank you, convener, and good morning members. I relay apologies from our spokesperson, Gail Macgregor, who could not be here today to address you directly.

The short answer to your question is that we published a position on the ESS investigation in December 2023 and that is still very much the position that we have today. We have not taken the improvement plan that was laid by Scottish Government directly to members, but it is fair to say that our existing position is very much about proportionality of reporting. In a world of stretched resources, local authorities are very keen to focus and intervene where they can make the biggest

impact and biggest difference, and where they can reduce carbon the most. It would be fair to say that the Scottish Government's response is very much along those lines of proportionality and digging in where the biggest gains can be made.

**The Convener:** George, are you happy?

**George Tarvit (Sustainable Scotland Network):** Yes, reasonably. It is fair to say that SSN members were pretty actively involved in the investigation and the Scottish Government's response, especially around the scope 3 challenges. Our members were essentially saying that it is a very pragmatic and reasonable approach, in summary. It is taking something that is quite complex and turning it into something that is quite actionable.

**The Convener:** Mark, you have to be happy. Are you?

**Mark Roberts (Environmental Standards Scotland):** Good morning, convener. Broadly speaking, we are relatively happy with the plan that the Scottish Government has laid. We are pleased that the Scottish Government has accepted the principle that the reporting of scope 3 emissions should be mandatory. We absolutely recognise the complexity and difficulty of scope 3 reporting and, as George Tarvit mentioned, the work that has gone on with local authorities and others in the period since we laid our improvement report. We welcome the intention to mandate the reporting of the first group of types of scope 3 emissions that are listed in the plan.

We are pleased to see that work will be undertaken to develop approaches for the remaining categories of emissions, and we would like to see a timescale for that being completed. Given that November 2027 is set as the date for the introduction of reporting on the first group of emissions, we would like to see a similar timescale being set to complete to the remaining work.

**The Convener:** There were four other recommendations and you appear to be happy with the Government's position on those. Explain to me, please, why you are happy with that.

**Mark Roberts:** In all our work, we strive to reach informal resolution with the Scottish Government or any other public body that we are working with on a particular issue. During the course of the investigation, we managed to come to a satisfactory agreement on, as you say, four out of the five recommendations that we made. Jamie McGrandles can perhaps explain in a moment how we are continuing to work with the Government and monitor how those recommendations are being implemented. For us, that was a very satisfactory outcome.

**The Convener:** Jamie McGrandles, do you want to expand on that and the overall position?

**Jamie McGrandles (Environmental Standards Scotland):** Of course. The other recommendations concern enhanced statutory guidance, mandatory climate plans and the development of a template to assist local authorities in that, and an independent monitoring body to oversee the whole system holistically. The Scottish Government has conducted a lot of work on those, and we have made very good progress. We will continue to work with it on pushing that through. From our perspective, as Mark Roberts alluded to, the last piece of the jigsaw is mandatory scope 3 reporting.

**The Convener:** Clare Wharmby, do you want to comment on the improvement plan and, if you want, anything regarding the other recommendations?

**Clare Wharmby (Scottish Climate Intelligence Service):** I have worked in public sector reporting for quite a long time, and my position is that the Government's improvement plan for dealing with the scope 3 emissions is reasonable for the complexity that it will involve. I suspect that the sticking point for everybody will be on categories 1 and 2, which are procured goods and services and capital goods, which is by far the largest category and the most complex in reporting. Saying that we need an absolute deadline and timescale on those will be problematic, because we currently do not have the appropriate methodologies to capture that kind of data. We should be aware that there are significant risks in asking local authorities to capture and use data that we do not fully understand yet. The improvement plan that the Government laid was pretty reasonable in saying that that is an area that we need to think about and investigate before we decide exactly how to progress.

**The Convener:** Thank you. That was the easy question. The next question comes from Jackie Dunbar.

**Jackie Dunbar:** Good morning panel. My question will be directed more at Silke Isbrand, but I am happy for anyone to come in if they have a comment or view. Broadly speaking, what do you think will be the potential benefits from local authorities reporting their scope 3 emissions? Are there any challenges?

**Silke Isbrand:** Some local authorities already report on scope 3 emissions and local authorities have their own climate change ambitions. They choose which data they monitor to best inform their action and to help them best achieve their own targets and contribute to national targets.

Over many years, we have developed, in a very collaborative way, a public sector reporting duty, which is just in the process of being updated. Under that duty, some local authorities have captured scope 3 emissions. No local authority has captured all scope 3 emissions. That is reflected in the Scottish Government's improvement plan and the fact that, as Clare Wharmby said, there is no ready methodology for some of these items, so data could potentially be misleading.

Going back to your question, of course there is benefit in local authorities capturing data where the data and methodologies are clear and where doing that can improve action and drive action to meet climate change targets.

10:00

Local government established the Scottish Climate Intelligence Service, in which Clare Wharmby is deeply involved, as a joint project with the Scottish Government. The principal aim of the project—which is heavily funded by local government and the Scottish Government—is to look at the key data sets that actually help local authorities identify where they can intervene to have the biggest impact and drive down carbon emissions the most.

**Jackie Dunbar:** Should the targets for local authorities all be the same? You said that they have their different climate targets. Should they be universal across the local authorities?

**Silke Isbrand:** No, because it is the democratic mandate of each local authority to set its own targets. Each local authority's elected members decide on their local ambitions.

**Jackie Dunbar:** Does that result in any challenges for—

**Silke Isbrand:** For data collection? Yes. Clare Wharmby is possibly much more able to speak to the practical challenges, but we know that capturing data under scope 3 is heavily challenging. Some categories are more challenging than others, and some are very, very challenging, and can potentially lead to wrong decision making. Yesterday I was in a discussion about the Scottish Government's circular economy route map and the Scottish Government's desire to drive circular economy principles through procurement. As is laid out in the Scottish Government's plan, simplistic reporting on the volume of spend rather than the quality of spend could become counterproductive here. It is a very complicated area and it is not easy to capture the right data.

**Jackie Dunbar:** George Tarvit, you look as if you want to come in.

**George Tarvit:** It is fair to say that in the workshops that we held there was an ambition. As Silke Isbrand is indicating, some scope 3 data is already measured and reported. There is an ambition and SSN members are not shirking away from the fact that they have some responsibility to look at their wider impacts. The challenge arises when there is an obsession with measurement, especially annual measurement and things such as setting targets on something that is complex and has a lot of moving parts.

There is benefit to getting some level of measurement to empower engagement, as it is the interventions that will be important. You have been having conversations around things such as the national targets versus budgets, but the focus needs to be on the actions and the interventions. There is a need for measurement to an extent, but a lot of the focus needs to be on what you will do with that measurement. Then it is an issue of capacity, standards and empowering officers to come up with projects and interventions that will be sensible.

**Jackie Dunbar:** Thank you. I am big on empowerment.

**The Convener:** The difficulty with a panel of five is that you do not always get to answer every single question, but if there is something that members of the panel feel very strongly about, you should just raise your hand and catch my eye and I will try to bring you in. Do not throw anything at me—that does not work.

Mark Ruskell, do you want to come in?

**Mark Ruskell:** Yes. I was having a look at the different areas of scope 3 emissions. The Government has categorised some of those as being really hard to bottom out and, if I understand it correctly, further work has been scheduled for that.

One of the groups is operation of franchises. How hard is it to work out the emissions from a franchise? This committee has discussed bus franchises. Surely it would be relatively easy for a council to work out how the operation of a bus service over time and the vehicles that would be used would contribute towards climate change, through the amount of fuel that would be used and the number of services that would be run. I want your reflection on that, because it did not strike me as an area where it would be particularly challenging to understand what the climate impact would be. If councils are making decisions on franchises without really understanding the climate impact, that is a bit concerning. I will take everybody who wants to answer that, starting with Clare Wharmby.

**Clare Wharmby:** This is where one of the things that is always problematic about carbon

reporting comes in. The protocols were not set up around the idea of a public body, but around the idea of large industrial sites. Essentially, when the protocols are talking about franchises, they do not mean bus franchises for the public sector, but a franchise model such as McDonald's, for example. There are some examples where it would be relatively easy to track the emissions, but whether the local authority has sufficient control or influence over the emissions to change them is another matter. Buses might be one where they do. When we are doing area-wide reporting, which is reporting on all the emissions that occur in a territory, buses are included because there is an interest in increasing bus travel and having it as low carbon as possible.

Generally speaking, the closer the relationship that you have with a scope 3 emission, the easier it is for you to calculate it. With water consumption, for example, because we have water meters, we can usually say, "Yes, we use roughly this amount of water." Scottish Water is the only provider in Scotland, so we can therefore work out an approximate footprint of that.

On care services, for example, about a quarter of the budget for local authorities goes on social care. At the moment, the only method that we have for calculating the emissions from social care is to apply a single spend factor—the amount of money that you spend gets allocated a carbon amount. There are two spend factors for social care, which is about a quarter of the budget in Scotland. Therefore, we will be potentially bringing in an awful lot of uncertainty and a very large bulky footprint on top of something that we know quite well. However, there are bits that we can calculate quite precisely.

**Mark Ruskell:** Are you are saying that it is impossible to work out the carbon impact of the care sector?

**Clare Wharmby:** It is not impossible.

**Mark Ruskell:** Right—but it is challenging.

**Clare Wharmby:** It would take an awful lot more resources and time than we currently have.

**Mark Ruskell:** Do you think that it is worth doing?

**Clare Wharmby:** It is worth doing when we know how to do it, so that we do not impose risks on that sector. I think there is a risk to arbitrarily asking people to provide their carbon footprint.

**Mark Ruskell:** Okay. Jamie McGrandles or Mark Roberts, do you want to come in?

**The Convener:** Sorry, but I will just jump in there, I am slightly confused by this. Are you saying, Clare, that there is a figure that is just allocated to expenditure for social care?

**Clare Wharmby:** At the moment, the only method that we have for calculating procured goods and services is essentially that we look at the spend, allocate that spend to categories and put a carbon number on that category. Some categories are reasonably precise, such as agricultural goods, and some categories are very large, such as social care.

**The Convener:** But social care, for example, in Edinburgh and Glasgow, would be totally different from social care in the Highlands.

**Clare Wharmby:** Yes.

**The Convener:** In one area, you can jump on a bus and get to where you want to go to, and in one you would be driving for 35 minutes to get to somebody you need to see.

**Clare Wharmby:** Yes.

**The Convener:** It does not seem precise. It seems a bit of a guesstimate at the best.

**Clare Wharmby:** Yes.

**The Convener:** Thank you for clarifying that. Sorry, Mark.

**Mark Ruskell:** Mark Roberts, do you want to come in?

**Mark Roberts:** What is good about the Scottish Government's improvement plan is that, with regard to about category 1 scope 3 emissions, around procurement and that sort of thing, it is trying to establish a hybrid methodology that not only looks at spend in the way that Clare Wharmby has described, but looks at supplier-specific information. I interpret that as being a step towards having a more sophisticated methodology.

The position is challenging and we recognise its complexity, but we think that it is important that first steps are taken, as is set out in the improvement plan.

**Mark Ruskell:** I am just trying to think this one through. We have mentioned social care. Surely there are also opportunities for saving money, whether that is about low-carbon heating systems or electric vehicles. It seems that the process is being presented as a problem, whereas actually is it not a way to deliver more efficiencies in public sector services as well as, ultimately, reducing carbon? Is that not why it is worth measuring the emissions?

**The Convener:** George is desperate to come in on this.

**George Tarvit:** I will be very quick. For me, the way in which the Scottish Government has clustered the categories is useful. Progress on some will be faster than on others, and your point

around franchises is a case in point. Group 2 is all about having the year ahead to get consistency and figure out the methodologies for measuring this stuff and how far down the chain of influence we will go.

Mark Ruskell points to the issue that, if you have direct control over a franchise and are concerned about the scope 1 and 2 emissions and are trying to shift that into opportunity rather than threat, you can start to move to a situation in which you use the data and your influence to effect change through the supply chain.

In short, the groupings contain things that are harder and easier to resolve and progress on some will be faster than on others. The franchise issue is likely to be easier to resolve than the issue of goods and services.

**The Convener:** Douglas Lumsden has some questions.

**Douglas Lumsden:** The Scottish Government's response says that:

"Mandating the reporting of procurement emissions at this time could, therefore, result in unintended negative consequences and driving the wrong type of behaviour and decision making."

Do witnesses agree with that comment? I will go to Mark Roberts first.

**Mark Roberts:** The recommendation and the improvement report were in part driven by the expectation in the interim guidance to public bodies, which dates back to 2021, that scope 3 emissions should be reported. We made the recommendation in the full knowledge that this is a very complex area and that considerable methodological development will be needed. However, it is important that the first steps are taken.

As other witnesses have mentioned, some local authorities have taken initial steps. We think that it is important that the next steps are taken in refining the methodologies. As George Tarvit mentioned, the proposed approach seems a very pragmatic way to go about doing that. Our only concern is that there is no fixed timescale for when those things will come into place, but we do not underestimate the complexities of doing it.

**Douglas Lumsden:** What could the Government mean by "negative consequences"? I will ask the Government about that later.

**Mark Roberts:** If a local authority took a very simplistic approach and said, "We're spending an awful lot of money on this service and that generates a huge amount of emissions," that could drive decision making in a particular direction. However, I imagine that local authorities have a more sophisticated approach to taking that type of information into account before making significant

decisions. I appreciate the theoretical risk, but I am not convinced that it is a real risk.

**Douglas Lumsden:** Clare, would you like to come in?

**Clare Wharmby:** The question is probably related to the social care issue that I talked about. At the moment, we do not have the ability to make good decisions with the information that is provided. For example, if we are asking people for the carbon cost of a good, which is a simple one—services are harder—that has to be done with a life-cycle analysis. A life-cycle analysis report usually costs about £50,000 and is about 60 pages long.

When we get to the decision making about procurement, do we have the ability to interpret that information and use it correctly? Are we absolutely sure that every player in the market will be truthful, honest and upfront, or will some say, “Yes, we have zero-carbon services—buy ours”? Other players who are doing the right thing—who are taking slow and effective measures around photovoltaics, insulation and so on—might be judged as not being sufficient. I do not think that we know whether we have the ability to make decisions on the information that we are going to ask for, and that makes it risky, particularly in social care, where we work with very vulnerable people and quite marginal services. Yes, there are risks.

10:15

**The Convener:** George, you were nodding at one stage. Was that because you wanted to come in, or were you just generally agreeing?

**George Tarvit:** I want to give a practical example. I spoke to a local authority member who said that putting a number against, say, the authority’s information technology spend gave it a sense that there is an issue to be investigated. Rather than say, “We need to cut how much we’re spending on laptops or look for a completely different supplier,” that allowed the authority to engage in a far more robust way with the supplier. That ended up in a positive conversation with the IT supplier which said, “We’re doing a whole range of green activities, and we can bring that to some of your solutions.”

It is not a perfect fix that will get us to net zero in a short period, but it empowers the public sector to engage with the private sector and probably shift some of the conversation into the space of innovation and opportunity rather than just getting a number and thinking about how to reduce that against a target that we have magicked up, and then measuring that to the nth degree. There is a real desire to focus on how we use the process to empower ourselves. The whole system will have

to shift towards net zero, and this process empowers local government and the public sector to be more robust in its engagement with suppliers, without obsessing about that perfect number.

**Douglas Lumsden:** I am just trying to work out why mandating the reporting of procurement emissions could have a negative impact on behaviours and decision making.

**George Tarvit:** It is probably the methodology that we are concerned about.

**Douglas Lumsden:** Yes, and that probably goes into my next question. We have the proposed commencement of mandatory reporting and the encouragement of voluntary reporting up until that point. Is that useful? Is it about having time to get the methodology correct and almost to practise the mandatory reporting that we need in future?

**George Tarvit:** In a practical sense, yes. A lot of our members want to know the direction of travel and then start to think about what data they need to collect to be able to report. There is a bit of a time lag involved. If you are going to report on your previous financial year, you need to collect the data in that period to report in the year ahead. As much foresight as possible for our members would be the best.

**Douglas Lumsden:** Will the voluntary reporting have much of an impact on local authorities?

**Silke Isbrand:** Local authorities need the methodology. The committee has often looked at capacity in local authorities to contribute to the national net zero targets—capacity is one of the big things that has been flagged up. Individual authorities are testing approaches. Different local authorities have different amounts of capacity for reporting, but the Scottish Government report indicates that there are 15 scope 3 categories, and those need a lot of further development work to achieve a clear, consistent and reliable methodology that drives a positive decision-making process. That has become very clear.

If you are asking about the wrong decisions, I would go back to the example that I gave earlier of the Circular Economy (Scotland) Bill. The committee had deep involvement in that and definitely wanted to see procurement being done along circular economy lines as part of that. The example that we are giving here is that, with procurement, or purchased goods and services, which is category 1 of scope 3, because the methodology is not mature enough, the reporting would be purely on spend, so the driver would become to reduce spend to have fewer scope 3 emissions. However, the quality that we seek through the Circular Economy (Scotland) Bill would be lost or would be de incentivised.

**Douglas Lumsden:** Will all 32 local authorities progress with the voluntary reporting, or will they wait for the methodology and mandatory reporting to come into place? Will the voluntary reporting have an impact or make any change whatsoever?

**Silke Isbrand:** Local authorities will always report when they are mandated to report, but the issue that is being discussed here is how much capacity that will take up in a space where we have a climate emergency and where local authorities have to focus their resources. Also, how good is the data that would be collected to drive what we want, which is to get closer to the net zero target?

**Douglas Lumsden:** Mark, do you think that voluntary reporting will make any impact for local authorities?

**Mark Roberts:** As I mentioned in response to an earlier question, there has been voluntary reporting of scope 3 emissions for some time now, and the 2021 guidance says that scope 3 emissions should be reported. As we have heard and as we reported in our improvement report, only a very small number of local authorities have so far chosen to do so. That reflects, as I think all the witnesses today have said, the complexities that are associated with the methodologies but, to return to my previous point, it is really important to make a start. Understanding the wider impact of procurement decisions, for example, is really significant. As George Tarvit has described, that can also enable a more sophisticated conversation with suppliers about their contribution to emissions. Based on past experience, voluntary reporting is not likely to drive an increase in reporting.

**Monica Lennon:** We have been talking about some of the capacity issues. In the improvement plan, the Scottish Government highlights that local authorities have “increasingly stretched resources”, but adhering to the reporting of scope 3 emissions will result in additional reporting and, possibly, the need for additional staff training. Silke Isbrand, do we know how much additional resource and training will be required to deliver mandatory reporting to a good standard?

**Silke Isbrand:** No. At this time, we cannot quantify the resource that will be required, because, as we know from the Scottish Government’s report, there is not even a methodology yet. In relation to the 15 scope 3 categories, the Scottish Government has laid out three groups, but the methodology for each group is at a different level of advancement. If there is no clear methodology yet, we do not know how long that piece of string will be or what training people will need. We cannot put a figure on it, but significant resources and additional capacity will be required.

As was very much our position in December 2023, local authorities are keen to use data in the most effective way to drive their decision making, so that they can take the biggest interventions to drive down emissions as much as possible. That is why the Scottish Climate Intelligence Service was brought into life. Clare Wharmby will be able to explain this better than I can, but, in that context, it is important to note that the Scottish Climate Intelligence Service is looking at the data that local authorities can influence—the big data sets and the area emissions. In some areas, there might be overlap with some scope 3 categories, but they are not the same and are not all included.

There is stretched capacity and, in a world of limited resources and very tight local government budgets, the 32 local authorities decided to focus their resources on the Scottish Climate Intelligence Service, because it was felt that it would have the capacity to collect data that would best inform decisions that would bring the biggest benefits. I do not know whether these figures are right, but the figure for greenhouse gas emissions influence might be 30 per cent compared with about 3 or 4 per cent for scope 3 emissions. Capacity is crucial in that regard.

**Monica Lennon:** I am hearing that significant resource will be required but that we cannot quantify it at the moment. I assume that we do not know how much of the required funding will be recurring and how much will be one-off investment.

This might be a good point to bring in Clare Wharmby to add to what Silke Isbrand has said.

**Clare Wharmby:** We have done this for a couple of local authorities. It is fair to say that most local authorities report some scope 3 emissions, but they tend to be on the business, travel, water and waste side of things. Traditionally, those are the emissions that local authorities have reported, because that is fairly straightforward and they hold fairly good levers for that. Local authorities have started to report on the new category of home working and commuting, but the figures are pretty senseless and local authorities do not have a huge amount of influence over such issues, so we have to work out whether such reporting is worth doing.

We have worked with local authorities to look at their procurement footprints. Local authorities usually engage with about 1,000 suppliers a year. It is usually relatively easy to get information about which suppliers they have spent money on, but getting information about what they have procured from those suppliers is a very different matter. A lot of the resources that will be required to do the category 1 and category 2 work are in slightly different parts of a council. It will not just be a case of increasing the number of climate change

reporting officers; there will need to be an increase in skills across different areas in a council.

As Silke Isbrand said, there are differences between scope 3 emissions, which are an organisation's indirect emissions, and area-wide emissions, which are the territorial emissions in a council area, but there is overlap in some areas. For example, our work on area-wide emissions, such as supporting businesses and households to reduce their carbon footprint, will often have an impact on scope 3 emissions. We do not know precisely what the impact will be, but we know that there will be an impact. Scope 3 emissions also occur outside of Scotland's boundaries, but we have very little ability to track them to see whether we are having an effect on them.

**The Convener:** I will bring in Mark Roberts to find out whether he acknowledges the problems that Silke Isbrand has mentioned.

**Mark Roberts:** We absolutely recognise that the reporting will be an additional demand. Without question, we are talking about something over and above local authorities' current reporting requirements. It is not within our remit to quantify the additional resources that ought to be provided; we are just making the observation that there appears to be a gap in how the guidance is being implemented.

As I said, we acknowledge how complex the reporting will be, but it is important to make a start. The action that is described in the improvement plan is very positive, but we are concerned about the open-ended nature of the commitment, so we are looking for a commitment on when this will happen.

**Monica Lennon:** Is there a risk that this will become a tick-box exercise? We have heard that there are training needs and that the methodology is underdeveloped. Local authorities could gather lots of data, but that might not result in much change on the ground. How do we minimise the risk of this becoming a tick-box exercise, particularly in the early years?

**Mark Roberts:** Others might want to come in, but I will start. George Tarvit described quite a good example in that local authorities being forced to think about the indirect emissions associated with other parts of the supply chain will allow them to have a more complex conversation with organisations about what they are doing to reduce their emissions in the provision of services for the local authority. Such discussion will be very helpful and will sit underneath the reporting of emissions. That will be quite a powerful tool for having a broader conversation about how we influence those outside the public sector to reduce their emissions in the same way.

10:30

**Monica Lennon:** George Tarvit, do you share that optimistic view?

**George Tarvit:** To be pragmatic and reasonable—as our members want to be—I think that we probably need to shift some of the conversations into the co-development space between practitioners and decision makers. At a political level, the climate delivery framework is being put together, and what we are talking about poses a lot of questions about the capacity in local government and how best to meet those capacity needs. The question of how much this will cost is a bit open ended at the moment.

However, we have experience in the local government community and in the SSN, so we can have sensible conversations about how best to tackle the problem. For example, some local authorities have spent money on consultants to provide a top-level spend analysis so that they know the costs and what they will get from that expenditure, and the Scottish Climate Intelligence Service provides a collective approach to a major challenge—local authorities have come together to say, “We want to build capacity and to combine our efforts so that we don't need to do things 32 times separately.”

We need to go through some deliberation on the process. I expect that to be part of how we tackle the problem. There is the methodology side of things, but what is sufficient? We can work on averages, and we can get into specifics. We need to work with decision makers and practitioners in order to get to the sweet spot in tackling the problem and ensure that we have the capacity to do something with the data. You alluded to the fact that it is no use measuring something if there is then no capacity left to take action. That is an overall concern.

**Monica Lennon:** That is why I am interested in what resource will be required. Some local authorities are using external consultants, but that can be quite expensive. In order to be certain or confident that we are getting good value for taxpayers' money, would it not be reasonable to start to provide some figures and work out what is needed to do this properly and well?

**Silke Isbrand:** Absolutely. We put that position forward in relation to proportionality. We need to be clear about how much additional capacity will be required, but, as I said, we do not even have the methodology yet, so we cannot answer that question at the moment. How long is a piece of string?

We need to consider the additional resources and the impact that the action will have. The 32 local authorities decided to invest a significant amount of money in the Scottish Climate

Intelligence Service because area-based emissions account for such a large part of the impact. The figure is 33 per cent—which, I think, I mentioned earlier—whereas the figures for a lot of the scope 3 emissions trail down to a few per cent of the overall proportion of the greenhouse gas inventory.

Resource are required. We must consider the impact on the greenhouse gas overall budget and the ability of local authorities to have an influence, because there is no point in gathering a lot of data on things that we cannot influence.

**Jamie McGrandles:** I will follow up on Monica Lennon's point about avoiding this becoming a tick-box exercise. We were very aware of the need to avoid that when we did our investigation, and we recommended that there be an independent monitoring body so that that does not happen.

On resources, we are aware that what we are talking about will probably require a step change once the methodologies are sorted, but our recommendations are all designed to assist local authorities and to provide them with the resources, to an extent, so that they can do this stuff. We heard such feedback from climate change practitioners during our investigation, and the enhanced statutory guidance will be helpful for local authorities in that regard. We have climate plan mandates and templates that will help. The methodologies will come online—I hope, sooner rather than later—and the monitoring body will help, too.

**Monica Lennon:** That is helpful.

**George Tarvit:** One of our benefits or assets is that we are very well networked in this space. The SSN could play a role in the process of finding out the best way to tackle the problem and of ensuring that we do things in the most cost-effective way. Mark Roberts alluded to the fact that some of the work could lead to preventative spend. If local authorities measured things to a certain point, they could drive savings through managing their supply chains, waste, commuting and so on.

**Monica Lennon:** Action 4 in the improvement plan addresses the development and implementation of a training programme on emissions reporting for local authority officers. Could the new Scottish Climate Intelligence Service play a role in supporting that?

**Clare Wharmby:** We are currently running a training programme, but it is specifically on the use of the area-wide inventory data set and on the development of interventions through area-wide climate action plans.

As I said, local authority scope 3 emissions and area-wide emissions intersect, so it is likely that the actions that local authorities take on their area-

wide footprints will also have an impact on their scope 3 footprints. We will not see that impact, but we will, I hope, know that there has been one.

The footprints have quite different flavours. Area-wide footprints are, in essence, territorial footprints from multiple stakeholders and are based on the relationship with an area, whereas organisational footprints are based on the relationship with the reporting entity. The two are not exactly the same, and the methodologies are not exactly the same.

The Scottish Climate Intelligence Service will provide local authorities with a data set to use. We want them to concentrate on the actions and interventions that they need to take with their levers and influence, rather than think too much about the data, because the data set for area-wide emissions is much easier and relatively straightforward.

The answer to the question is “Probably not.”

**Monica Lennon:** I am looking at the 2023 “Report into Climate Change Training in Scottish Local Government” by the Improvement Service. Local authority workers highlighted a few areas in which the Scottish Government could provide assistance with training related to climate change. They include production of national standardised training and guidance, promotion and development of mechanisms and forums for collaboration and discussion, provision of

“guidance outlining colleagues, organisations, and modes of delivery that can be consulted to support with co-delivery of training provision”

on climate change—it is quite a long list—greater communication between local climate departments, if they exist, and national and local climate campaigns. Are there any thoughts on that from anyone?

**The Convener:** The trouble is that, if you all look away, Monica Lennon will have to nominate somebody. Well done, George—you put your hand up quickly.

**Monica Lennon:** George Tarvit blinked.

**George Tarvit:** Those are all fair recommendations. We need capacity for training, to put it simply. We operate on an annualised budget, which is a challenge with limited budgets. We need to get into the training space. We do a lot around capacity building in the general sense by sharing good practice and bringing members together through dialogues, conferences, case studies and so on, but to dig into the training space will require a step change in our capacity.

**Monica Lennon:** Let me pick up on the points that you raised about sharing good practice, training and so on. We hear a lot in the committee

about the importance of collaboration on the road to net zero, but we also hear sometimes that we need to do better at collaboration. That is often linked to capacity and people not having time. We hear a lot about pockets of good practice around the country, but it is not always scaled up. Do we do enough sharing, or is there a real capacity issue?

**George Tarvit:** There are capacity issues in respect of the scale of the challenge in comparison to the resources that are going in. Most stakeholders would say that there is a shift to be made, there. We work efficiently with the resources that we have, and a lot of our capacity is in the fact that there is a network. The implications of layering more responsibility on members might become a capacity issue, in that they will have less time to collaborate. We are always in the space of making collaboration robust and sustainable, in itself. I take your point about trying to get away from there being just a useful conversation and it becoming something that drives change.

**Monica Lennon:** Silke, for a final view from local government, how can you free up capacity across local government to work with a range of partners?

**Silke Isbrand:** Capacity is a challenge. On the report that the committee produced on local government delivering net zero objectives, local authorities have absolutely set themselves targets and are putting resources—staff and financial resources—behind that, but capacity is always a challenge. That is why it is so important to use capacity to focus on the most important things.

That plays into the fact that we need capacity for delivery as well as capacity for monitoring. In simple words, we must avoid having a gold-plated monitoring system but no capacity left to deliver the things that we have to do. Capacity is always a big challenge; the general financial position of local government has been well communicated, generally.

**Monica Lennon:** It is good to get all that on the record. Thank you very much. I will hand back to the convener.

**The Convener:** Thank you very much. I am looking around to see whether there are any other questions. Mark, would you like to come in?

**Mark Ruskell:** I will come back briefly to the third group of scope 3 emissions, which are the emissions that are hard to measure and that councils do not measure at the moment. There is a question about whether you think it is worth measuring them in the future. I suppose simplistically, it looks as if measuring is worth while in order to create leverage in procurement contracts and other areas. If you do not

measure—if you do not have a figure for what the catering franchise delivers, how the social care that you engage with will reduce its emissions, or how the bus franchise will reduce its emissions—what are the levers for contractual obligations and negotiations? Is public procurement so far advanced that that does not matter and we do not need to measure that stuff because it is built into the procurement process and it will always deliver a reduction in carbon emissions, or are we trying to use reporting to strengthen an inherently weak public procurement system in local government?

**Silke Isbrand:** Clare Wharmby and others can probably come in on that, but the levers lie in an area-based reporting system because that is the strongest. The data that are being collated through area-based reporting by the Scottish Climate Intelligence Service offer the strongest lever. Nobody would say that the scope 3 emissions do not matter. The strongest levers lie in parts of the scope 3 emissions and others in the data that is collated through the Scottish Climate Intelligence Service. Local authorities consider whether their bus franchises and everything else that they do that includes important carbon-reduction levers and requires significant spend, offers the opportunity for carbon reduction.

**Mark Ruskell:** Yes, but do you see a difference between a public contract where public money goes into, say, a catering service in a school and what happens next door in McDonald's? What happens next door at McDonald's is wrapped up in area-based reporting, which is about what happens within the general council area, but there is a direct link to public spend. Our taxpayers' money goes into supporting public services. Should there be more climate carbon accounting for that? I am trying to understand why it is fine to push that off-limits a bit and say, "It's a bit too hard. There are difficult decisions to make and it's all captured by the general carbon reduction within a council area." That does not feel quite right to me.

10:45

**Silke Isbrand:** We do not want to say that all the scope 3 emissions are too difficult to measure, so let us just not do it. We know that for a number of the categories, including in the first group, a majority of local authorities report on what they feel is significant. Local authorities can have an impact in the remaining categories. Every sustainability officer in every council is keen to see where development of the methodology goes. That is beyond the technical scope of one local authority; it is development between the academic and public sectors that needs to mature and develop.

I will go back to the large expenditure that a local authority incurs through bus franchises, health and social care spend or whatever. For the Scottish Climate Intelligence Service, and as part of the climate delivery framework that will come forward, local authorities will want to look at the big areas of expenditure in which there are opportunities for levering in carbon reduction. The problem is not necessarily solved by catching every single last one of the scope 3 emissions. That will be done by looking at the big areas that have a big impact and on which there is big spend, where a local authority can make a change. The desire that sits behind the Scottish Climate Intelligence Service is that we get to grips with the big parts where we can have an impact.

It is not too difficult to do and we cannot not be bothered. We want to get our teeth into the most difficult bits, where we can do something substantial.

**Mark Ruskell:** George Tarvit and Clare Wharmby want to come in.

**The Convener:** If you can be brief, that would be helpful.

**Clare Wharmby:** Catering is a good example. There is difficulty in asking catering firms for the carbon footprint of the service that they are offering, because the firm has to measure that for itself, then go to all 36 of its suppliers to ask, for example, “Can you give me the carbon footprint of your potatoes?” The next person down then has to go and ask the next person down, and so on. The catering firm then has to collate all that information into a number and provide that number. We then we make a judgment, but we do not know whether firms are chasing down the line effectively and correctly, according to the methodology. We have to accept the number that they give us.

Usually, in my experience of doing product footprints, the error bar on them is about 50 per cent. However good the methodology, footprints have a huge amount of error because we are chasing data down on unknown and unknowable quantities. Essentially, we make judgments and say, “We’ll take this company because it has a lower carbon footprint than that company”, but we do not know whether that is true. A company could be good at hiding its carbon footprint. It could be quite good at cutting off the tails and saying that that bit does not matter. We do not know. One firm might have good potatoes but another firm might have better tomatoes.

At the moment, we are not able to make those kinds of decisions. When we ask for that information, a large catering firm might be able to provide it, but if we are looking to promote small businesses in Scotland, such data is sometimes a huge ask of them.

**Mark Ruskell:** I presume that there is a conversation about local procurement. We quite often see in the press councils being challenged about why they are air-freighting chicken from Thailand or wherever and there is an active conversation about local procurement of ingredients. I understand the challenge of going down to the n<sup>th</sup> degree, but my point is that surely carbon is not being prioritised in procurement.

**Clare Wharmby:** The air-freighted chickens might be lower carbon. That is totally possible because a lot of production—

**Mark Ruskell:** I would like to see the data on that.

**Clare Wharmby:** Exactly—you can do that, but it is difficult. You have to do an awful lot of auditing, chasing and verifying to make sure that you are being presented with something that is accurate. I am sure that plenty of firms could present figures to you and say, “Our air-freighted chicken is the lowest carbon you can imagine”.

**The Convener:** It sounds like you are talking yourself into producing a 60-page report on the carbon footprint of imported chicken—but maybe not.

**Clare Wharmby:** Not today.

**The Convener:** George Tarvit, you have suggested that you are happy with what you have said.

**George Tarvit:** Yes.

**The Convener:** Bob Doris, do you have a final question?

**Bob Doris:** It is final, and it is brief. I am on my phone because I have to Google things to better understand them as I am listening. I am learning as I go along, convener.

There is clearly a complex emerging methodology and it is not an exact science. It is an iterative process that has to be proportionate for local authorities, but we quite clearly need embedded practice across all supply chains everywhere, with an agreed international methodology.

This is a question for ESS. I am conscious that the European Union is seeking to move to scope 3 reporting from next year for companies above a certain scale. Is there an opportunity for public bodies—not just local authorities in Scotland but across the UK and beyond—to align at European level on some of this stuff? When local authorities go to supply chains that include international Europe-based companies, there could be alignment and the data would have integrity. Has that been looked at, or is it completely tangential to the discussion?

**Mark Roberts:** You might want to raise with the Scottish Government a question about how it is approaching developing the methodology.

We have heard and have recognised throughout the meeting that the matter is complex and challenging, and that it is very much an emerging area. However, it is important to take the first steps in order to better understand the wider impacts of local authorities' activities. We do not underestimate how difficult that is, but given the significance of the wider move towards achieving net zero, it is important that the steps be taken. The improvement plan as written is a positive step in the right direction.

**Bob Doris:** I have a final question; the convener has asked me to be brief.

This might be for Silke Isbrand. I am conscious that large public authorities right across Europe will be grasping the scope 3 reporting requirements for supply chains at Europe level. Could COSLA and our local authorities look to share best practice on how to do that? If you do not have information now, that is absolutely fine. If there is information at the back of your mind, you can contact the committee after the meeting to give it to us. It is about European alignment and embedding best practice proportionately.

**Silke Isbrand:** I am happy to look for anything that is of particular relevance. COSLA has a Brussels office and we work closely with the Council of European Municipalities and Regions. Wherever there is good practice in a local authority in our sister associations in other European countries, there is communication. Fantastic models and good approaches can always be shared.

**Bob Doris:** That is helpful. They will struggle with the same things that local authorities in Scotland struggle with. It is about making sure that there is communication. Thank you very much, convener.

**The Convener:** Before I thank the witnesses for their evidence this morning, I wonder whether Douglas Lumsden and Jackie Dunbar want to say anything about their previous roles in life, in the form of declarations of interest. You indicated that you might.

**Douglas Lumsden:** Yes. I remind everyone of my entry in the register of members' interests, which shows that I was a local councillor at the start of this session of Parliament.

**The Convener:** Thank you.

**Jackie Dunbar:** Mine is exactly the same. I do not know whether I need to repeat what Douglas Lumsden said, but I was on the same council.

**The Convener:** Thank you very much for putting that on the record.

I thank the panel very much for giving evidence and helping us with our deliberations. We will hear from the cabinet secretary next, so I will briefly suspend the meeting to allow a changeover of witnesses. Thank you.

10:53

*Meeting suspended.*

11:00

*On resuming—*

**The Convener:** I welcome our second panel this morning on Environmental Standards Scotland's improvement report and the Scottish Government's improvement plan: Gillian Martin, Acting Cabinet Secretary for Net Zero and Energy, and her supporting Scottish Government officials: Philip Raines, deputy director, domestic climate change; and Andrew Mortimer, statistician, climate change statistics and modelling.

Cabinet secretary, I think that you are going to make a brief opening statement before we move to questions.

**Gillian Martin (Acting Cabinet Secretary for Net Zero and Energy):** Thank you, convener.

Thanks for the opportunity to discuss the improvement plan that we laid on 3 September. We welcome Environmental Standards Scotland's report on the support for local authorities in delivering their climate change duties. It is clear that local authorities play an absolutely critical role in tackling the climate emergency. The report's recommendations were thoughtful, and we have worked constructively with ESS since it made them and, indeed, have resolved the majority of them.

One area that we have not been able to accept in full is, as the committee knows, the pathway proposed in response to the recommendation on making the reporting of scope 3 emissions mandatory for local authorities. As our plan sets out, there are technical and resource challenges with regard to reporting all categories of scope 3 emissions, which I recognise account for a significant proportion of local authorities' emissions.

I hope that the committee agrees that the improvement plan sets out a phased and proportionate approach that will help improve the information available to support local decision making on reducing emissions. At the same time, the plan avoids placing an unreasonable additional reporting burden on local authorities, one that might not actually drive action.

I thank COSLA and local authority officers for their valuable input in developing the improvement plan. Our reporting duty has helped drive climate action and enables the tracking of progress across the public sector. The actions set out in the improvement plan seek to enhance reporting by local authorities and to help accelerate action without, as I have said, putting an undue burden on them.

Thank you, convener.

**The Convener:** Thank you very much, cabinet secretary.

We have a series of questions, and I get to ask the first, easy one. What are the potential benefits and challenges arising from local authorities reporting their scope 3 emissions?

**Gillian Martin:** You say that that is an easy question, but the answer is actually quite complicated. There are obvious benefits to reporting any emissions, including scope 3 emissions, which account for about 70 per cent of the emissions arising from the work that services do. The benefit of putting in place a system that monitors and measures such emissions is that it could allow local authorities to make more informed decisions about, for example, what they procure. At the same time, it would have to be done in a way that ensured that they were not having to measure absolutely everything to the nth degree, as that would take away from the actions themselves and, indeed, the capacity required to deliver on them.

I was struck by what the previous panel were saying about the fact that just talking about reporting on scope 3 emissions has engendered conversations with their supply chain and people with whom they have been working with for many years about their carbon footprint and what they do. It could have a positive domino effect in that respect. After all, local authorities are among the biggest procurers in any country. If Governments and Parliaments are starting to talk about measuring scope 3 emissions, even our having that conversation at the moment is probably making suppliers think, “How do we measure our emissions? What can we report on? When we bid for a contract, what can we say about what we are doing to reduce our carbon footprint that might make us more attractive?” If local authorities are looking at their scope 3 emissions, that might make suppliers start to look at their own carbon footprints and put in that sort of information when they bid for contracts. It could have a big domino effect.

**The Convener:** I am smiling, cabinet secretary, only because we have heard reports of 60-page-long carbon footprint plans, which might make a

tender process quite lengthy. However, other members will ask about resourcing and all that.

I call Douglas Lumsden.

**Douglas Lumsden:** Good morning, cabinet secretary. The plan states that:

“Mandating the reporting of procurement emissions at this time could result in unintended negative consequences and driving the wrong type of behaviour and decision making.”

Can you expand on what you mean by that and some of the “negative” things that could happen?

**Gillian Martin:** I have two big concerns about this. The first is the one set out in the plan, and the second is the capacity that local authorities might have to measure scope 3 emissions, given the expertise required and the complexity of what is involved.

The issue of unintended consequences that you also mentioned arises out of the current situation that we are in, and which was well rehearsed by your previous panel, of the absence of a standardised, tested, accurate solution for measuring and reporting. If, as the Scottish Climate Intelligence Service in particular was saying, you do not have a way of accurately measuring things, you might make decisions based on data—from, say, a supplier—that you cannot verify. Who is checking that the information that you are getting back from this chain of people who are reporting back to you, so that you can do these calculations, is verifiable and correct?

The current approach to reporting on procurement emissions relies on the spend-based method and the conversion factor that some of the previous panel mentioned. However, that is just an estimate of the emissions associated with the total spend. You could reduce your emissions by reducing what you procure, and spending less on something would correlate with those reductions, too, but what would be the unintended consequences of that? You still need to procure those items for a service to keep going. You could then have an apparent reduction in emissions by procuring lower-quality items. However, although they might have fewer emissions associated with them, what would be the impact of that on your services? After all, lower-quality products might need to be renewed more. Under the current system, that could mean putting off investment in more expensive items that might be more energy efficient and last longer, and which therefore have a longer-term impact, too. A solely spend-based approach is not suitable for on-going use.

If we are to prevent these unintended negative consequences arising and driving the wrong type of behaviour, the methodology has to be worked on and researched. As a result of the improvement plan, the Scottish Government has been involved

in putting together a focus group to bottom out the methodology, so that some of the unintended consequences arising from the current system and the capacity issues get bottomed out, too.

Moreover, if there were a model out there that was being used by other countries and which we could replicate and bring over here, we would do that. At the moment, though, this same conversation is happening in a whole lot of countries. Indeed, the other countries of the UK do not have a methodology or have not asked their local authorities to report on scope 3 emissions.

The fact that we are having this conversation will drive the action that will get us to the place where we need to be. It is still worth while doing this, because certain scope 3 emissions will be easier to report on than others, and that, too, will drive action.

**Douglas Lumsden:** When you talk about the methodology, are you talking just about local authorities? After all, you have mentioned the supply chain—and rightly so. Surely the people in that need a common methodology, too. As the last panel were saying, you might be judging between two suppliers, and one might say, “I am doing great on my scope 3 emissions”, while the other says, “I am not doing so good.” However, what if they are not being judged in the correct way, and you are making decisions on that basis?

**Gillian Martin:** Or they might not know how they are doing. I was struck by what the last panel said: if you go far enough down the supply chain, you might well come to quite small businesses. A small business with fewer than 50 people that provides goods that have been procured by a local authority—or, indeed, provides goods to a person who is procuring directly for a local authority—will not have the capacity to debate or perhaps talk accurately about its emissions. Also, will such a company have a person with that expertise?

There has to be some proportionality, because we are a country of small and medium-sized enterprises. We do not want a situation in which, as the convener mentioned in his earlier question to me, a company has to put in a 60-page report on this one issue in order to bid for a local authority contract. That might be too much of a burden to put on those people.

The question that I always come back to is this: what are we doing to drive action? That is why, in our response to Environmental Standards Scotland, we were able to agree straight away on four recommendations that would drive action. However, this recommendation is trickier, because just reporting on scope 3 emissions would not necessarily prompt action and, indeed, could tie up local authorities in having to do an awful lot of reporting and monitoring work, which might take

away from their other efforts or lead them, as you have identified, to make decisions based on potentially inaccurate data.

**Douglas Lumsden:** Is there a danger that the methodology might harm the smaller suppliers in the chain?

**Gillian Martin:** Not if it is worked through. A focus group is going to be put together that will have all the experts in the field and work with local authorities on what is required. We will then have to commission larger pieces of research to inform what happens as the methodology is put together.

At the moment, our colleagues in the—*[Interruption.]* I am sorry. Is it climate improvement Scotland?

**Philip Raines (Scottish Government):** The Improvement Service.

**Gillian Martin:** In the intervening period, they are working with local authorities and providing them with the methodology for all the other things that they will have to do to reduce emissions in the short and medium term.

With the scope 3 emissions, the situation, as you heard from the previous panel, is so much more complex. How far down the supply chain do you go, and what will the consequences be? I was watching the previous panel of witnesses in my office, and I disagreed with nothing that they were saying. That is why the methodology has to be bottomed out, and it is going to be a substantial piece of work.

**Douglas Lumsden:** Mandatory reporting will be introduced in the future. Do you think that voluntary reporting will have an impact on the actions of Scottish local authorities?

**Gillian Martin:** A few local authorities are already reporting voluntarily. One council—I think that it was East Renfrewshire Council—did a piece of work that involved publishing the emissions data for its supply chains, but it found it difficult to report accurately on that and on how it would impact on decision making.

We must remember—I cannot believe that I am telling this to a former councillor—how varied and broad the services that a local authority procures are and the number of organisations of different sizes that bid for contracts to supply goods and services. Therefore, it could be difficult to ascertain what the scope 3 emissions are, for the reasons that we have all talked about. Some organisations are larger than others, and some have the data while others do not. There is also the issue of whether the data can be relied on.

11:15

I come back to what I said at the beginning: ESS has published its report, the conversation is under way, the improvement plan is in place and the Scottish Government is working with COSLA. We have held a few workshops with local authorities and have started to talk about the implications for their activities in identifying scope 3 emissions. Things will have come out of that process that will have prompted action in some areas.

Members of your previous panel mentioned the conversations that have been had with suppliers. For the larger suppliers, that data might be readily available or they might say, “We are moving in this direction in order to reduce our emissions. Can we give you some information on that?”

When it comes to voluntary reporting, will local authorities spend time on that? I think that they will make a judgment about whether that is the best use of their time. Before we put mandatory reporting in place, we need to bottom out a methodology that local authorities are comfortable with.

**Douglas Lumsden:** You mentioned East Renfrewshire Council. How many other of the 32 local authorities report voluntarily on scope 3 emissions?

**Gillian Martin:** It is a very small number. Philip Raines might be able to help me on that. East Renfrewshire Council was the one that came back and said, “We’ve done this exercise, but we don’t know how much it can influence what we’re doing.” Philip Raines might have more information. I do not have a list.

**Philip Raines:** To put it simply, scope 3 emissions involve a lot of different categories. The bulk of local authorities report on some of those categories using the spend-based methodology, particularly in relation to purchased goods and services, but other categories of emissions are too difficult to report on and few councils do that. It depends on what category of emissions you are talking about.

**Douglas Lumsden:** So, it is a complete mix.

**Philip Raines:** Yes, it is a complete mix.

**Gillian Martin:** In fact, I do have a list—I have just realised that I had it in front of me. In category 1, which is purchased goods and services, 9 per cent of local authorities reported their emissions. In category 5, which is waste, 94 per cent reported their emissions. In category 6, which is business travel, 91 per cent reported their emissions. In category 7, which is employee commuting, the figure was 13 per cent, and, for home working, it was 72 per cent. In the categories in which it is

easier to have that data, local authorities are reporting back on that.

**Douglas Lumsden:** How will you encourage more local authorities to report on the trickier categories? If you do that, I imagine that you will learn lessons about getting the methodology correct.

**Gillian Martin:** I think that the climate change plans that the local authorities put in place and the work that they do with the Improvement Service to drive action will be far more important than reporting on the difficult stuff.

We could say, “We want you to report on the really difficult stuff,” without any methodology having been worked through, but I do not see what the gain would be. If authorities are doing well in reporting on quite a lot of the categories, we can assist them and look at the methodology to improve that reporting, and they can look at the actions that they are taking and can include those in a climate change plan.

As I said in my opening statement, local authorities play a massively important role in reducing emissions. That work also offers them an opportunity. I am most interested in the action that they will take, and I think that that is what wider society is most interested in. I do not think that people in wider society will think, “Hang on a second. They are only giving us figures for some of the easier-to-measure scope 3 reporting. We must compel them to report on all the different categories.” That might be quite difficult, and we do not know what it would yield. We must be proportionate in our approach, which is why we did not automatically agree with the recommendation in question. We need to do further work in this area.

**Douglas Lumsden:** But is it not the case that if you are not measuring something, you cannot improve it?

**The Convener:** This will be your last question. I will try to entice the cabinet secretary to be succinct, because I do not want to be in the position of not giving all committee members a chance to ask their questions, as I know that that will come back to haunt me.

**Douglas Lumsden:** If you do not measure the emissions in certain areas, how can you take action to improve the situation?

**Gillian Martin:** We need to measure what we can and improve on what we can. We can measure what we can in the categories of scope 3 emissions that I have mentioned—a substantial amount of work has been done with local authorities on that. If we improve on that, we will make a massive difference.

I made a note of what Silke Isbrand, who was on the previous panel, said. She said that local authorities need to use the data in the most effective way to drive down emissions. I think that that is the headline here. We need to use the data in order to drive down emissions. If some of the data is harder to get or inaccurate, it might not drive down emissions.

**Douglas Lumsden:** I want to know what we should do if there are gaps, but I will pass back to the convener.

**The Convener:** Maybe you can ask that at the end, if there is time, when everyone else has asked their questions.

**Monica Lennon:** Good morning, cabinet secretary. Given that you listened to the earlier session, this might be a case of déjà vu. The improvement plan highlights the fact that the Government recognises that local authorities have “increasingly stretched resources” and that adhering to the reporting of scope 3 emissions will result in additional reporting and, possibly, additional training of staff. When I put that question to our previous panel, we were told that it was not known how much additional resources and training would be required to deliver on mandatory reporting. Is that correct, or has the Government done an assessment of how much resource is required?

**Gillian Martin:** The members of your previous panel were entirely accurate: we cannot tell. We come back to the fact that, until the methodology has been bottomed out, we will not know what kind of training will be required in relation to that methodology. It will be necessary to assess the systems that the local authorities already have and how much of a step change it would be to put in new systems, what those systems would cost, what training would be associated with that and what capacity the relevant departments would need to have.

We need to go through the process that we have put in train, which involves the focus group that is comprised of various academics and experts in the field, to bottom out what the methodology could look like and to do that wider piece of research. At that point, we would have to say to COSLA and local authorities, “This is what has come back from the focus group. This is what has come back from the research. How feasible is this, given your current capacity? How feasible is this, given the expertise that you have available within your organisation? Would your current systems support such reporting and the methodology for that?”

At the risk of quoting Silke Isbrand too much, she kept on saying, “How long is a piece of string?” That is the territory that we are in here.

The methodology must come first, and then we will be able to work with COSLA and local authorities to answer your question.

**Monica Lennon:** Earlier this year, I asked a written question. In the response that she gave back in February, the then Cabinet Secretary for Transport, Net Zero and Just Transition, Màiri McAllan, said that a single data platform that would

“enable consistency of approach and adoption of best practice methodologies across local authorities and their delivery partners”—[*Written Answers*, 26 February 2024; S6W-24890.]

was being procured. Are you able to give an update on that?

**Gillian Martin:** Yes. The Scottish Climate Intelligence Service, a representative of which was on your earlier panel, is actively working on that. That will be what Ms McAllan was referring to. You will have heard that that service, which is based at the University of Edinburgh, has been set up as the result of a partnership between COSLA, local authorities and the Scottish Government. Right now, the SCIS is working with local authorities to provide them with the methodology that exists to look at their emissions.

The work of the SCIS is absolutely critical. Probably most critical is its work on the short and medium-term gains that can be made and the plans that local authorities will have to put forward. The advice and the expertise of the SCIS are absolutely critical. In the background, we will work with it and many others on the methodology around scope 3 emissions, but that will take a lot more time. Meanwhile, the SCIS is working in real time with local authorities.

**Monica Lennon:** That is jointly funded by the Scottish Government and local government.

**Gillian Martin:** Yes.

**Monica Lennon:** What are the timelines for the single data platform?

**Gillian Martin:** I would have to ask the SCIS. Philip Raines might have more information. It is possible that you missed your opportunity, because you had a representative of the SCIS in front of you, but I could certainly find that out for you.

**Monica Lennon:** You are welcome to write to us—unless Philip Raines knows the answer.

**Philip Raines:** We will need to write back to the committee, but I understand that that work will carry on through 2025.

**Mark Ruskell:** Cabinet secretary, you mentioned councils reporting on scope 3 emissions under the different categories. How

many councils have reported on franchises? What percentage?

**Gillian Martin:** I do not have that information here. I do not think any have reported on that.

**Mark Ruskell:** You quoted from a list, I think.

**Gillian Martin:** It was interesting to see that that particular category was developed for high-level reporting on the greenhouse gas emissions of the big franchises that we all know about—Starbucks, Costa and all the fast-food outlets that operate under franchise arrangements. I asked the same question that you ask. I do not think that any local authorities have specifically reported back on the franchises. Philip Raines might have that information.

**Mark Ruskell:** The examples that we discussed earlier were public transport, social care and catering. Those are big areas of council spend. I am interested in how many councils are currently able or willing to provide that information.

**Gillian Martin:** I outlined, when I had my list in front of me, the various categories on which there had been some reporting, including employee commuting and business travel.

**Mark Ruskell:** Do you have 14 franchises down there?

**Gillian Martin:** I do not have the information in front of me. It is a perfectly acceptable question, but I do not have the information. To my knowledge, they have not.

**Mark Ruskell:** Okay, that is fine. Where we have got to with this is that there is a question about where you draw the line. You could go down to the nth degree but there is perhaps a point where that information does not add as much value in some areas as in other areas.

You have worked within the spirit of the ESS recommendation, you have adopted most of the recommendations, but there is still a question around the sticky scope 3 emissions. I am interested in how much progress you can make in bottoming out that question between 2025 and 2027 and what you can report back to Parliament.

It is clear that some areas—such as bus franchises, which you mentioned—look pretty easy to bottom out in terms of scope 3 emissions. I will add another one, a favourite of mine: road maintenance. I see that Andrew Mortimer is looking at me as I say that, but I think that, with road maintenance, it is fairly easy to understand the data around aggregates and some of the reporting in that sector. Getting verified data in that area that can be included in scope 3 reporting might be low-hanging fruit for councils, and might be easier than, say, doing so in the area of catering, where you have to try to add up all the

ingredients, take account of all the suppliers and so on.

I am interested in how much progress we can expect to see in the areas that you think are a bit too hard right now and we need to go back and think again about. Are there some obvious areas that councils are not reporting on at the moment, such as road maintenance? The data around road maintenance is there, and it is quite a big area of carbon emissions and public spend. It would not be too hard to report on that area, and there probably would be some value in having an understanding of the scope 3 emissions, as that could form part of the decision making.

**Gillian Martin:** We are currently in the middle of making an assessment of that, and are working with local authorities around it. We looked at the ESS report and then we organised two workshops with the people in local authorities who were already dealing with the various climate change plans and emissions reductions. Those workshops considered the areas that might be difficult to report on and the areas that could probably be reported on easily—exactly what you are talking about. There was a conversation around assessing how much could be done in that regard.

If we introduced any legislation around scope 3 emissions reporting, it would take effect around about 2026-27, but that would be informed by the on-going conversations that we have with local authorities about the areas in which we can see the benefits of reporting on certain scope 3 emissions and the gaps where they have not been reporting but there has been an assessment and the data probably exists and just needs to be collated.

11:30

**Mark Ruskell:** Finally, what does that reporting back to Parliament look like? Parliament is being asked to approve or to not stand in the way of your improvement plan that has come in on the back of an improvement notice from ESS—we have to say, “Yes, that is good”, or, “No, we think you need to think again”. If we are broadly saying, “Yes, this is moving absolutely in the right direction”, as I think that it is, what will the reporting back to Parliament look like? There is this unanswered question around scope 3 emissions, and I certainly want to see what progress is being made not in 2027—if we are still here—but in the interim period between, in 2025 and 2026.

**Gillian Martin:** If we introduce legislation as a result of how the improvement plan has landed and the discussions that your committee is having with the stakeholders and so on, the reporting to mandate group 1 categories would start in 2025. However, obviously, a lot more work is going on in

relation to the other groups as well. As I say, a lot of that will be as a result of the work that the focus groups are doing and the wider research that has been done, as well as discussions with the local authorities about what they can do, what they might feasibly be able to do and, importantly, what action that could drive.

**Jackie Dunbar:** My question is probably quite an easy one, cabinet secretary. Could you reflect on the nature of the relationship that you had when you were working with Environmental Standards Scotland on the investigation and this improvement plan?

**Gillian Martin:** That is quite easy to answer because, with the exception of the scope 3 emissions part, everything in the ESS report made absolute sense. It was great to see that the report was looking at particular sections of Scottish society such as local authorities where there is an awful lot of procurement and buying power in relation to a lot of services and goods, and was asking whether the legislation and the compulsions are fit for purpose, given that we have a net zero target for 2045, and what more we can do to accelerate action around mandating that organisations create climate change plans, and monitoring their work on that.

We were grateful for the recommendations—that is why the service was set up after Brexit, so that we had environmental standards that were being looked at by an independent arm's-length body that could make recommendations to the Government and Parliament, and I think that it did its job well. The scope 3 emissions situation is tricky, but it is right that that was there, because all Governments need to think about that.

**The Convener:** Thanks. Hugely good manners are popping up in the committee in relation to committee members trading questions. Bob Doris, you can ask the question that you asked the previous witnesses.

**Bob Doris:** Monica Lennon might like to come in and ask further questions around this but I will ask this question for consistency's sake. As I was listening to the previous witnesses, I was conscious that people at a European level are grappling with all these issues, too. Certainly, the European Union is keen for corporate Europe, as it were, to report on scope 3 emissions. Of course, the Scottish public sector has a large supply chain stretching across Europe and beyond.

I asked COSLA's representative this question, and she is away to think about it. What cognisance does the Scottish Government take of alignment with the European methodology around reporting on these issues? Is there a connectivity with how Scotland reports on them? Is there on-going work or an opportunity to start a bit of work around that?

**Gillian Martin:** The biggest opportunity for joint work is with the other three nations in the UK. Our improvement plan and the ESS report's recommendation has prompted things to move a little bit faster in Scotland than in those other countries, but it is coming down the line there, too. The UK has no mandatory requirement for local authorities to report on their greenhouse gas emissions, and the Welsh Government, which does not have one either, is running into the same difficulties that we are. I have quite substantive discussions with my Northern Irish and Welsh counterparts on our net zero ambitions and what we can do in the devolved space to accelerate action around them. We also meet regularly on the issue with the UK Government, so that joint work will be factored in.

We would like to share with other countries the work that the focus group is doing and our wider research. We should also keep a keen eye on what happens in the EU, because this is an issue for every country that wants to accelerate its emissions reduction, and the issue of scope 3 emissions is becoming more of a discussion point in that regard. The methodology around that needs to be bottomed out so that it is fair and will work.

We will continue pressing ahead with the work that we are doing but, at the same time, we will keep an eye on what is happening in the European space and, I hope, we will influence what happens in the wider UK space, too.

**The Convener:** I see that Monica Lennon has a question.

**Monica Lennon:** Cabinet secretary, you said that you are keeping an eye on what happens in the European space. Does that translate to keeping pace with the EU?

**Gillian Martin:** The Scottish Government wants to keep pace with the EU generally, so we always factor that into our decision making.

**Monica Lennon:** Okay. That is helpful.

**The Convener:** If there are no further questions, I will ask a final one. I know that you always like to come to the committee and make good news announcements, cabinet secretary. We heard in the last session from COSLA's representative that reporting scope 3 emissions would take up more time and more resource, although COSLA had not quantified how much. Will you ask for more money in the budget to ensure that COSLA's members have sufficient resources that they can do what you ask them to do?

**Gillian Martin:** As you have heard, I cannot quantify what resource is required. It might be that, after we have done all the necessary work, I will

go back and say that councils will require more resource to enable them to do the necessary work, but, for this budget, that piece of string has not been bottomed out yet, as it were.

**The Convener:** So you will ask them to do it without the resources and the money to do it? That is slightly concerning.

**Gillian Martin:** They are not compelled to do it at the moment.

**The Convener:** So they will not be compelled to do it until they have the money and the resources to do it.

**Gillian Martin:** Yes. Also, we have the Scottish Climate Intelligence Service working with them on their emissions reductions and the data for the things that we ask them to do.

**The Convener:** Thank you, cabinet secretary. That was a helpful session, and I thank you and your officials for coming along. We will now move into private session.

11:38

*Meeting continued in private until 12:11.*

This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

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