



OFFICIAL REPORT
AITHISG OIFIGEIL

DRAFT

Net Zero, Energy and Transport Committee

Tuesday 24 September 2024

Session 6



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NET ZERO, ENERGY AND TRANSPORT COMMITTEE

27th 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:

Jamie Brogan (Edinburgh Climate Change Institute)

Cornilius Chikwama (Audit Scotland)

Claudia Cowie (Aberdeenshire Council)

Alison Leslie (Aberdeen City Council)

Mike Rivington (James Hutton Institute)

CLERK TO THE COMMITTEE

Peter McGrath

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament
Net Zero, Energy and Transport
Committee

Tuesday 24 September 2024

[The Convener opened the meeting at 09:03]

Decision on Taking Business in
Private

The Convener (Edward Mountain): Good morning, and welcome to the 27th meeting in 2024 of the Net Zero, Energy and Transport Committee. Under agenda item 1, does the committee agree to take item 3, which is consideration of the evidence that we will hear this morning on the Climate Change (Emissions Reduction Targets) (Scotland) Bill, in private?

Members indicated agreement.

The Convener: Does the committee agree to take consideration of our draft stage 1 report on the bill in private at future meetings?

Members indicated agreement.

Climate Change (Emissions
Reduction Targets) (Scotland)
Bill: Stage 1

09:04

The Convener: The next agenda item is the third day of evidence taking on the Climate Change (Emissions Reduction Targets) (Scotland) Bill, which seeks to amend the current approach to the setting of interim greenhouse gas emission reduction targets in Scotland.

I am delighted to welcome Claudia Cowie, team leader, sustainability and climate change, Aberdeenshire Council; Alison Leslie, team leader, climate and sustainability policy, Aberdeen City Council; Mike Rivington, senior scientist at the James Hutton Institute; Jamie Brogan, head of climate partnerships at the Edinburgh Climate Change Institute; and Cornilius Chikwama, audit director at Audit Scotland.

Thank you very much for taking the time to be here this morning. It was very short notice, so I appreciate the fact that you have found the time to come.

Before we move to questions, I note that the deputy convener has been held up in getting here this morning, but he will be joining us shortly. I also note that two members would like to declare interests. I invite them to do that now.

Jackie Dunbar (Aberdeen Donside) (SNP): I refer members to my entry in the register of members' interests. I was a local councillor at Aberdeen City Council up to May 2022.

Douglas Lumsden (North East Scotland) (Con): My declaration is the same as Jackie Dunbar's. At the start of the current session of Parliament, I was a councillor at Aberdeen City Council.

The Convener: Aberdeenshire seems to have huge representation here today. That is good. Thank you for those declarations.

I will start with two very easy questions, and I will work along the panel, starting with Alison Leslie and ending with Claudia Cowie, so you will need to be fleet of foot, Alison, in answering them. What are your views on the existing annual targets? Have they helped local government to reduce emissions? I would like your views on whether they work.

Alison Leslie (Aberdeen City Council): The annual targets provide a steer or a guide on the pace of action that is expected and how that might drive national decision making, given the pace that is needed in relation to infrastructure, skills,

funding mechanisms and supply chains. In that regard, they are beneficial.

In the public sector, we have a statutory requirement under public sector duties to meet Scotland's emissions targets, so we work within those confines. We are very conscious of the interim targets and annual targets in the work that we do and how it cascades into wider policy.

The Convener: Mike, will you answer next? If you also want to delve into whether the old targets have helped us to get towards a just transition, I would be happy to hear your views on that.

Mike Rivington (James Hutton Institute): From a science perspective, we need very frequent time series data. It is very helpful to have annual targets because it means that we can accumulate literally day-to-day measurements of emissions and then see how they are stacking up against the targets.

From a just transition perspective, it is very helpful to have frequent targets to aim for, specifically on things such as land use. There is a lot of interest in the transition in land use in relation to not just net zero but other objectives such as increasing biodiversity. Having frequent targets is important because we can use them as a sort of a benchmark and see how the accumulated scientific data stacks up against them. They help us to see the rates of transition in things such as land use.

Jamie Brogan: Will five-year targets be as helpful as the annual targets?

Mike Rivington: In our response, we suggested that there are benefits in both approaches. Having five-year targets will add a bit of stability to the approach, but having targets for individual years gives us improved benchmarks to aim for. We see quite a lot of variability from one year to the next, which is driven by various things including international geopolitics and internal responses to markets and policies. It is important to have a good understanding of why we get that year-to-year variability.

The Convener: Okay—thank you. Jamie?

Jamie Brogan (Edinburgh Climate Change Institute): Having one-year targets certainly communicates urgency and the need to monitor progress, but we find that they are a little too susceptible to fluctuations because of things such as—you have heard this before—Covid and temperature changes over particular years.

I hope that, later in the session, we will come to some of the suggestions that the Edinburgh Climate Change Institute has made about bridging the gap between that long-term budget and shorter-term planning and how we monitor progress in the interim. That is probably not the

first question that you want me to go off on, but there is a way of bridging that gap that will alleviate some of the concerns that have been expressed that you might be kicking things down the road if you shift to a five-year budgeting process.

The Convener: I am pretty sure that that question will come up at some stage, Jamie. If it does not, I give you an undertaking that I will bring you in specially at the end. That is how confident I am.

I turn to Cornilius Chikwama.

Cornilius Chikwama (Audit Scotland): I am here to represent the Auditor General. Audit Scotland has no strong view to express on the annual targets or the carbon budgets. What is crucial for us from an audit perspective is to ensure that whatever approach we take gives us something that is SMART—specific, measurable, achievable, relevant and time bound—and that allows us to track progress. The key aspect to emphasise is “achievable”. In the past, the annual targets have not been achieved. Our assessment of specific targets to 2030 has been that, in many areas, it is highly unlikely that those would be achieved. Therefore, the key point that I highlight from an Audit Scotland perspective is that, whatever approach we take—whether that is an annual target or a five-year carbon budget—we must always bear in mind that we have to make sure that we set ourselves an ambition that we are able to achieve and that we can be credibly judged against.

That is all that I will say for now. We can get a bit more into the key things to consider if you want to make sure that your targets are achievable.

Claudia Cowie (Aberdeenshire Council): Good morning. I echo all the points that have been raised—in particular, from a practitioner's viewpoint, on aligning with the annual reporting duties that are required of us anyway. That reporting mechanism has allowed us to demonstrate how we support Scotland towards its annual targets. As we go forward—whether we have carbon budgets or not—it is about aligning to the work that we practitioners already do, and to what is coming down the pipeline. For example, how will using the ClimateView platform through the Scottish Climate Intelligence Service, which we will be asked to do, align with the new process?

The Convener: Thank you for that.

The Government considers that the ambition of its 2030 target is no longer credible, which is why it has come up with a new plan. Emissions standards will be lower and will have to ramp up. Alison Leslie, how will that affect what you are doing?

Alison Leslie: That will depend very much on the timing and the clarity. As we have that duty to meet Scotland's targets, as we have plans in place and as we await statutory guidance—which, potentially, awaits the bill—there are a lot of important connected components to drive forward.

The Convener: Okay, but the 2045 target remains the same, so it appears that we are going to have to ramp everything up. Is that right? Is that your feeling?

Alison Leslie: It will depend on the timeline for the introduction of carbon budgets. If there is a hiatus in moving to that United Kingdom timeline, it is about understanding what that will mean for us, and whether it will pause any further legislation that we are dependent on for decision making within our own local plan. That local-to-national connection is really important.

The Convener: Claudia Cowie, from your point of view, if we are no longer able to achieve the target of 2030, we will have to ramp up what we are doing, will we not? How will that affect what you are doing?

09:15

Claudia Cowie: Similar to what Alison Leslie said, it is about the Government providing certainty and clarity to the organisation, our elected members and our leadership, of the direction that it is going in and where it needs us to focus. Doing so would mean that when we look at our financial budgets, we can consider factors such as how we are ensuring that we align that with climate action. It is about providing stability and confidence. We are going through this process again. Hopefully, this is our last look at how we will achieve net zero by 2045 and at what processes we will put in place for that.

I am on the same page as Alison Leslie about working out how we can deliver what is required. More important than whether there is an annual target or five-year carbon budgets is what steps will be put in place to support us. Aberdeenshire is a very large region, and we need to know how we can support the process locally and what is going to be expected of us, so that the organisation has some confidence about the delivery and a bit of stability, which would mean that we could align what we do with whatever target is put in place.

The Convener: I think that we are going to run out of time if we have to consider another method of doing it.

Jamie Brogan: Our positive response should be to put planning and monitoring processes in place and to better support delivery so that we are clearer on where we are, how credible our plans are and what progress we are making against our

targets. If we have better foresight of that, we can respond better. That is what we are doing through the ClimateView platform, which Claudia Cowie mentioned.

Mike Rivington: The term “ramp up” was mentioned. From a global perspective, there is considerable concern that things are happening much faster than previously thought. There are particular concerns about the rapid melting of ice in the area around Antarctica. With colleagues from Biomathematics and Statistics Scotland, we have done some very preliminary analysis of global sea surface temperatures. This is only my personal perspective, but I think that we have possibly reached a tipping point in ocean temperatures already. I believe that that will lead to a cascade of other changes, so real urgency and imperative are needed.

The discussion about the timing of budgets emphasises the need for greater levels of ambition in the very near future, rather than phasing things during the next 20, 30 or 40 years. Otherwise, we run the risk of continued accumulation on a global scale. I hope that I am wrong and that if we still have tipping points to reach, we have enough time to avoid that, but I stress the importance of the urgency.

The Convener: So straight-line reductions are not going to work.

Mike Rivington: No.

Cornilius Chikwama: The question about how quickly we can move is important. We need to consider the practical considerations, such as whether we are getting value for money. If we look at the options that we have now to reduce emissions, we need to consider the cost effectiveness of those measures. If we have enough cost-effective measures that we can deploy and that allow us to move quickly, that is all well. However, if we do not have enough of them, there is a challenge. We need to consider whether we are throwing money at everything without really considering how effective the measures are. We therefore need to make sure that whatever pace we want to go at, we have cost-effective measures that can match it.

There are financial considerations as well. A lot of the measures will require investment. Therefore, we need to question whether we have the investment to allow us to deploy the options that we might have. We are in a difficult situation, at the moment. It is not just a financial consideration from the Government's point of view, because some of the actions will require households and businesses to invest. Do we have the financial instruments that will support those investments to take place?

I am more concerned with what is achievable, what is realistic and what is the best use of public money, given the technologies or the options that we have now.

There are other points on feasibility that I could talk to, but I will pause here.

The Convener: We will get on to costings when we look at the financial memorandum, which I am sure will come up somewhere along the line. Monica Lennon has the next set of questions.

Monica Lennon (Central Scotland) (Lab): Good morning. Apologies, but I had a slight technical issue, so I missed the very beginning of the meeting.

What impact will five-year carbon budgets have for public bodies and our local authorities, which are bound by annual reporting obligations? I am not sure who wants to start with that. I cannot see everyone's face, so I am not getting the eye contact that you are getting, convener.

The Convener: I can tell you that Alison Leslie twitched, but Claudia Cowie put her hand up, so I will go to Claudia first and then it is over to you, Alison.

Claudia Cowie: I just do not like silence.

I am not sure that it will make that much difference if we change to five-year carbon budgets. As Mike Rivington has mentioned, there are pros and cons to both approaches.

My organisation does not want any further delay. As Alison Leslie mentioned, we are still waiting on the update of the statutory guidance on public bodies climate change duties, and we would hope to see more in that guidance on how we can support the five-year carbon budgets.

If those aspects are being aligned, and that is explained to us, that will not be a problem. As drafted, the target is to reduce emissions by 75 per cent by 2030, so that will change before the matter goes out to consultation.

From a practitioner's standpoint, that is the piece that we are after, because that is what I take back to the organisation. It explains what we should be doing on mitigation, on adaptation and on wider sustainability.

Alison Leslie: I echo what Claudia Cowie has said. At a practical level, it is all about understanding what it means to us as an organisation in terms of delivery. What will be programmed into that carbon budget period? What will be cascaded in terms of skills, supply chains and funding mechanisms that will allow us to create our own plans and, at a practical level, deliver actions that reduce emissions at the local level? We need so many of those components to be in place. It takes time to create the plans, to

find the funding mechanisms and to produce and put in place the projects before they will deliver reductions in emissions. The more time that we have to play with and to stagger constrained budgets, the easier it becomes.

The Convener: Cornilius Chikwama, I think that Monica Lennon would like to know—*[Interruption.]* I am sorry—that was very rude of me. I wonder—and I wonder whether Monica would like to know—if annual reporting for local councils presents a problem for you when it comes to a five-year target.

Cornilius Chikwama: Do you mean for Audit Scotland?

The Convener: Yes.

Cornilius Chikwama: I would not say that it gives us any specific problems. As our key interest is the use of public resources, we are mostly looking at what resources are being deployed at any given time and what is being achieved with that resource. As long as we are able to measure what is being spent and what is being achieved over a defined period, a five-year target will not present any problem for us. Whether the period is one or five years, it should not be a huge problem for us.

The benefit of having annual targets is that you can quickly identify when things are going wrong. However, I would not say that this proposal will present huge challenges from an audit perspective.

The Convener: Monica, do you want to come back on any of the points that you have heard? I have a question, and then I know that you have a few more questions to ask.

Monica Lennon: Those answers—and your additional question, convener—were helpful. The only other question that I had in my mind was on the preparedness of our public bodies and local authorities. Do they have the skills and knowledge to move to the different cycles in order to do the carbon budgeting? If you had a brief answer to that, that would be of interest.

Alison Leslie: We are waiting on the statutory guidance and the requirements in that respect, and work is coming through on mandatory scope 3 reporting. The skills development process is an on-going piece of work; it will put pressures on capacity, depending on the timelines and whether we have clarity on monitoring frameworks. Without that clarity, it is difficult to say.

The Convener: I know that Jamie Brogan wants to come in, but I will bring in Mark Ruskell with a supplementary question first, and perhaps he will get a chance to bring Jamie in, too.

Mark Ruskell (Mid Scotland and Fife) (Green): Obviously, we are waiting to see the Climate Change Committee's advice on the first budget next spring. Claudia Cowie and Alison Leslie, do you think that the move to this budgeting process will change anything in relation to your target setting? We understand that councils have their own corporate targets for carbon reduction; some have area-wide reduction targets, too. Has there been any implication that if, say, the budget comes up with an ambition that is less than the current target, you will have to look again at your targets, or will you still be on the same trajectory unless guidance tells you that you need to re-examine things?

Alison Leslie: Our trajectories are very much worked out. We have internal targets, but as I have mentioned, they depend on certain factors being in place—for example, supply chains for our vehicle transition and a wider skills base to implement retrofit requirements—and on funding mechanisms to allow us to put them in place. There is a co-dependency in those factors. I am not sure whether that answers your question, though.

Mark Ruskell: Do you think that you will need to revisit your own targets and action planning as a result of what comes out of this bill, which takes more of a budget approach? We are struggling to work out the bill's practical implications for people who are delivering the targets.

Alison Leslie: In practical terms, we might have to revisit them if the bill creates any further delays to what is asked of us and what we have to incorporate into our own plans. That will come through in the statutory guidance on the skills that have to be upskilled and the information that we have to gather for any wider reporting mechanisms. There are some unknowns there, so we would like clarity on how we can programme that into our delivery, and then we can build on that.

Claudia Cowie: We in Aberdeenshire Council are looking to reassess things. In essence, we aligned our targets with the Scottish Government targets. Our internal ambition was for a 75 per cent reduction by 2030, which is proving to be incredibly challenging for us as an organisation; the issue is really how we are able to finance that. We have a costed-out route map to get to that 75 per cent by 2030—the estimate is around £130 million—but even if someone were to hand us that money tomorrow, the skills, the supply chain and all the other factors are not there to support the transition.

I know through my role on the Sustainable Scotland Network steering group that that is common across the board in the Scottish public sector. If we are all trying to do the same thing,

where will all the people with the skills come from? How will the supply chain cope? That is the real challenge. If, as part of the process, the Scottish Government provides real clarity and support, it will drive a direction of travel where businesses feel more confident of being able to support this approach and where our education systems understand that there is a real need for it. All of those factors come into play.

Once we see whatever target-setting approach is agreed through the bill, we will look at our approach to reassess whether we stick with the 75 per cent by 2030 target. We are keen to look at specific targets for the different scopes. Having an overall target for everything that the organisation does is proving to be tricky, because of what is available with regard to transport and buildings, and if we had separate targets for the different areas, it might make things more achievable for us. It is all about providing support and sustainability across what is a large region so that we can go out to the market and say, "This is what we require between now and 2045" and, by doing so, build confidence in and support the economy in the area.

09:30

The Convener: Jamie Brogan caught my eye and seems very keen to come in.

Jamie Brogan: I am a little bit keen.

The distinction that Mark Ruskell made was helpful. We have to remember that mandatory reporting is only for organisational emissions, which form quite a small proportion of what happens area-wide. Local authorities are being asked, by default, to lead massive and complex programmes for area-wide emissions; however, they are, in some ways, taking on a problem that is not really theirs to solve, and it is giving them a huge capacity-building issue to deal with. As a result, we are running a national capacity-building programme across all 32 local authorities as well as in the wider public sector to ensure that they are all sharing the journey instead of tackling the problem alone.

Local authorities—and other public bodies—need confidence that there will be support for the duration of something that is a long-term programme, not some quick fix. They need confidence that they will get on-going support as we look at long-term budgets and targets.

The Convener: Douglas Lumsden has a question.

Douglas Lumsden: My question is on the same theme of clarity. We are talking about a 75 per cent reduction in emissions by 2030. Claudia, when you talk about organisational emissions, are

you talking only about Aberdeenshire? Who will be responsible for the geographical emissions from Aberdeenshire? Will you play a part in that? Will it be part of your carbon budget or do you see it as part of the Scottish Government budget? Where are the dividing lines?

Claudia Cowie: We need clarity through the statutory guidance. We look at the region as well as the organisation, but the target of a 75 per cent reduction by 2030 is the organisational target for Aberdeenshire Council, not a regional one. Because of the issues that Jamie Brogan explained, it is really tricky for us to take over responsibility for the region. However, we do, of course, have aspirations for the region to reach net zero by 2045.

We have begun part funding the Scottish Climate Intelligence Service, which is just kicking off. We hope that the ClimateView platform will allow us to start tracking regional emissions, looking at who is leading in certain areas, identifying some of the gaps and finding opportunities for partnership between the public and private sectors. Going back to what Jamie Brogan said, I would just point out that that is funded for the next two years, but we do not know what will happen beyond then or what would happen if it collapsed. We require those assurances if we are to give support.

As an organisation, we have done a lot of internal engagement work on what we can directly control and where our areas of influence are, so that we can begin developing climate action in those areas. We have influence in the region and are looking for areas where we can be more proactive in giving support.

Aberdeenshire also has a voluntary network, which we created, called climate ready Aberdeenshire. The network, which looks at mitigation and adaptation, is led by an officer from my team, but we also have officers from different public body sectors as well as involvement from the private sector and a couple of third sector organisations. They are coming together and giving their time to discuss what we are doing, to share as much learning as possible and to look for opportunities where we might be able to work together to seek funding. We are also trying to work more closely with climate hubs, so that we have community engagement.

All of that work is going on, but if we go back to the idea of capacity and capability within organisations across Scotland's wider public sector, we see that leadership is coming from very small sustainability teams who are trying to get the message across in large organisations. Providing clarity and stability is really important because it helps us, as a team, lead the organisation and take a bottom-up approach.

The Convener: I will ask the next question. I am going to try and drag you back to the actual bits in the bill that are important.

I think that we all accept that there are huge challenges to face; in fact, the committee wrote a report about the challenges facing local government in achieving the targets, which I am sure that you have read; Claudia Cowie is nodding politely. That report highlighted many of the problems.

I will ask about a specific problem. The majority of witnesses that we have had in front of the committee have said that the Scottish carbon budget periods should align with the UK ones. The bill says that they will not. Do you agree or disagree with that majority view that they should align?

I will go right the way along the table on this one.

Alison Leslie: As long as what comes forward is programmed in and we understand on a practical level what we can deliver as a local authority, that is what is important to us. On the first carbon budget period, as we are mid-carbon budget at the moment, what happens up to 2027 and subsequently beyond that?

If the delivery mechanisms will continue to support us in our local delivery during that time, and if we have an understanding of what support will come through in relation to statutory guidance and the pieces that we have to deliver, the approach that is taken, ultimately, will not make a huge difference; it is the mechanisms that sit within the delivery that are important to us.

The Convener: I am not sure that I got a specific answer there. I am trying to see whether having everyone moving together as one big team towards one big target—which aligning with the UK carbon budgets would do—is the right thing.

Mike Rivington: There is benefit to aligning the two approaches. A lot of Scottish businesses will have interests south of the border, and vice versa. There are also a lot of initiatives in relation to agriculture and land use, for example, where there would be benefits from alignment with the approach in England and Wales.

From our perspective, it is about alignment, but there is also a question about whether that leaves some flexibility to have more of a Scotland-specific approach, because of our unique landscape and agricultural systems. In short, there would be benefit, but I would leave room for some flexibility as well.

Jamie Brogan: I agree that the periods should be aligned, not least because working better with UK agencies, particularly on issues such as

investment, will be really important in relation to accelerating our delivery.

Claudia Cowie: I agree. We said in our response that alignment would encourage a much more collaborative approach, which could be advantageous as far as the funding goes, as well as in relation to all those other aspects that come into play.

Cornilius Chikwama: We definitely agree. A report published by the four Auditors General of the UK in September last year looked at the issue and highlighted the importance of interdependencies across the UK when it comes to climate change policy. That contributes to some of our thinking around this.

For a lot of areas, we may find that there will need to be a balance between reserved and devolved powers if we are to make progress.

Financing and spending decisions by the UK Government will impact on the resources that are available to Scotland. How the Scottish Government then chooses to use those resources will be another important factor.

Colleagues have mentioned supply chains; again, for a lot of sectors, supply chains will have to develop. We looked at decarbonising heat in homes, for instance, and the supply chains there are still emerging. For us to reach critical mass, where we are really making progress in that sector, we probably need transformation across the whole of the UK. Looking at what the UK Government is doing will therefore be important in that respect.

The Convener: Bob Doris, you wanted to question that.

Bob Doris (Glasgow Maryhill and Springburn) (SNP): Yes, very briefly. I was wondering whether witnesses recognise that the UK Climate Change Committee would be pretty relaxed if there were no alignment between the UK Government's and the Scottish Government's five-year budgets. One of its preferences was for alignment—I put that on the record. Wales, of course, does not align with the UK five-year budgets. Scotland would align with Wales, although I should point out that that would be by accident. Has Wales seen any difficulties in relation to not aligning with the UK?

Secondly, in case I do not get back in, I will add that, in written evidence to the committee, Glasgow City Council stated:

"The alignment of 5-yearly carbon budgets with UK budget periods may cause difficulty due to differing sources of data to calculate emissions."

I am trying to get my head around this. How big a deal is it, really, and has non-alignment caused Wales any particular problems?

The Convener: I am very happy for anyone to answer for Wales or on any experience that they have of what Wales has done.

Bob Doris: If you do not mind, convener, that was not the question that I asked. We have individual witnesses who are scrutinising the bill who have said—quite rightly, because it is their view—that we should align with the UK Government. They might be saying that because they think that not aligning with the UK Government has caused Wales difficulties. I am not asking people to speak for Wales; I am just asking whether they are aware that not aligning has caused Wales any difficulties.

The Convener: Does anyone have an answer to that?

Mike Rivington: No, I am afraid not.

The Convener: On your point about Glasgow, Bob—was that a question?

Bob Doris: I suppose that it is a question for the local authorities. I was trying to roll it all into one question—thank you for your generosity, convener, in allowing me back in. No one is aware of any challenges that non-alignment has caused Wales; it was important for the committee to hear that.

Do any of the local authorities have any issues such as the one that Glasgow has raised about

"differing sources of data to calculate emissions"

making it challenging to align the budgets? I have no idea whether that is robust evidence or not, but it is evidence that the committee has received. Have local authorities considered any challenges in relation to aligning with the five-year budgets at UK level?

Alison Leslie: For local authorities, the emissions sources and the work that is taking place through the data platform that is coming will give us consistent emissions data across the local authorities. From our perspective, we will have a sense of territorial emissions for our local area and we will be working within those, so there will not be any direct local implications. I am not in a position to say whether there would be any wider implications on a national level.

Bob Doris: Perhaps if we gave a copy of Glasgow's evidence to the local authorities that are giving evidence today, they could reflect on that and write back to us with their views. I think that that would be quite helpful.

The Convener: I hear what you say. We can discuss whether the committee would find that

helpful when we go into private session to discuss today's evidence.

Bob Doris: I will make that point in private as well, convener.

The Convener: Mark Ruskell, you wanted to come in.

Mark Ruskell: I think that all the witnesses are making the point that, in some form or other, alignment between UK plans and devolved Administration plans is important. I am thinking about whether there are other ways to cut that.

Under the bill, the plan and the budgets are set at the beginning of a parliamentary session. Obviously, the Westminster Government is on a different timescale, but could there be a point where there is an update or a report in Scotland following the publication of a UK budget or plan? I am thinking about ways in which you could align the dates—you could align them entirely or information from a UK plan could be fed into devolved plans. I do not know. On a practical level, how do you get that kind of alignment? Is it a straight choice about whether to align the dates or not?

Cornilius Chikwama: That is something that the four audit nations considered. The question was: what are the governance arrangements that allow the different Administrations to work together? There is an interministerial group that looks at climate change; I cannot remember the exact name of the group. Presumably, cascading from those governance arrangements, there would need to be some arrangements that look at how the different Administrations align their budgets and the plans to deliver those budgets. That is the only way that I can think of, based on the work that we have done.

The Convener: We return to Monica Lennon for more questions.

09:45

Monica Lennon: Claudia Cowie talked about the benefit of, and need for, clarity and stability, so I will direct this question to her first, but I am keen to hear from others, too. Should the bill include a defined timeframe that sets out when carbon budget levels will be set?

Claudia Cowie: It would be helpful for the bill to include a clear timeline on when the targets will be set. There should be a good understanding of when the climate change plan will be published and of all the other factors that we are waiting for in relation to the statutory guidance for public bodies. In short, such a timeline would be helpful.

Monica Lennon: Excellent. That was a clear answer.

Alison Leslie: We need a sustained and clear timeline in order to move forward with making our decisions and supporting subsequent iterations of our local plans.

Mike Rivington: Defined timelines would also be very helpful from a monitoring perspective, as the science of monitoring develops. I strongly urge keeping an eye on the global context, so that we understand what other nations are doing, particularly those in the European Union. That will allow us to compare how Scotland is doing with how the UK, EU countries and other countries are doing. Having that timeline would be helpful.

It is very important to understand why there might be annual fluctuations and variations in whether we are achieving targets. If—heaven forbid—we are missing targets, having a timeline will give us a greater period of foresight to understand what we need to do to revise subsequent targets. If the timeline is well set out, that might enable better ordering of how revisions are made.

Jamie Brogan: At the risk of continuing to tee myself up for the more dynamic planning process that we are keen to advocate, I think that there should be a defined timeline, but that timeline—whatever it is—should not stop us making plans in the meantime, because it is pretty clear where some of the gaps are and what we need to move on.

The Convener: Does Cornilius Chikwama want to add anything to that?

Cornilius Chikwama: I have nothing more to add.

The Convener: Okay. I will hand back to Monica Lennon.

Monica Lennon: I have questions for later, but that is all for now, convener.

The Convener: Thank you. Mark Ruskell has some questions.

Mark Ruskell: We have received evidence from the CCC and other bodies about the timing of the setting of the draft carbon budget and whether the draft plan should be produced alongside that or at a later date. Do you have a view on the timing? Should the two come together? What information should be presented to the Parliament to allow us to set a carbon budget?

Alison Leslie: Alongside the defined timeline for a carbon budget, there should be a quantifiable plan that shows the pathway to delivering the budget. It makes sense to align the pieces. There should be a monitoring framework, so that we understand how we will track progress, with the framework being realistic and achievable. There is a certain sense to that. Uncertainty about when

things will come into place means that it is hard for those of us in the public sector to plan.

Mark Ruskell: I want to pin things down a bit more. Are you saying that you would be happy for a draft budget to be presented alongside a draft plan, because you cannot finalise a plan until you have finalised a budget? There is a chicken-and-egg element. What is helpful when you are making decisions about the budget in line with the action that might be possible, without plans being completely finalised ahead of setting the budget, if you know what I mean? It is very much a chicken-and-egg situation.

Alison Leslie: It would be helpful to have clarity about the components that will feed into the plan; clarity that any delivery mechanisms that are needed for us to deliver at a local level are sustained; clarity that funding mechanisms are ongoing; clarity on when the statutory guidance will come through and the timetable for it, so that we can programme it into our local activities; and clarity on when the climate plan will come out and the monitoring framework within it. It should be clear, understandable, achievable and accountable, so that we have a real sense of what we are delivering and need to deliver and feed into those wider budget targets as part of that.

Jamie Brogan: There is a need to shift away from the view that plans are static and carved in tablets of stone. What delays some of the process is us thinking that that is the plan and it is fixed for however long it is fixed for, whether that is five or 15 years. That should not be the case. We are in a fast-moving environment and the pace of technology change is rapid. New technologies that can support us with tackling climate change are coming on board rapidly. We cannot anticipate what is five years ahead, so, at the risk of repeating myself, we need to move into a different sort of planning process that allows us to spend less time worrying about the timescales for a plan that is designed for the medium to long term and more time thinking about how we use planning to support delivery and how we monitor progress against that.

Cornilius Chikwama: Without wanting to contradict what Jamie Brogan is saying, I think that we are probably aligned. You need the budget, but the budget ought to be credible. Therefore, we need some form of evidence that the budget that has been set is credible and is something that we can be confident the Government might be able to achieve five years down the line. If it has not been achieved, we can hold the Government to account for that.

Where does that come from? It still requires some form of plan. That plan can be dynamic. It does not need to be static, but it has to give us

some level of confidence that the budget can be achieved.

There is also something around how we then relate the budget to the long-term goal of net zero by 2045. We have to be able to demonstrate that the budget puts us on that path to reach net zero by 2045. If it does not, it is not relevant to the objectives that we are trying to achieve.

I would say that testing the achievability of the budget requires a plan, but we need to look at how the plan relates to the long-term goal, which is what then gives its relevance to what we are trying to achieve.

Mike Rivington: To follow on from Cornilius Chikwama's point, there would be mileage in having a dynamic budget, because there are annual fluctuations in carbon sequestration, for example, depending on the weather and the climate. We might have some years where there are reasonably high levels of sequestration and other years in which the levels are quite poor. The indications from the climate projections are that we are more likely to go into some of those poor years. Having some dynamics in the budget to account for fluctuations in the weather, climate, markets or geopolitics is essential. If we just have a flat rate of emissions reductions, it does not take into consideration all the other drivers that might influence it. There might be some circumstances in which it helps with emissions reductions, but there might also be circumstances in which it makes it considerably harder. Having a plan is good, but having a plan that is adaptable on a fairly rapid basis would also be advisable.

Claudia Cowie: I do not have anything to add other than our own experience of setting a target and then developing the route map and not doing it together. You want to have credibility behind the target setting. As others have mentioned, if you are setting a carbon budget, it would be nice to have a rough plan alongside it that says, "This is where we are going to achieve it through buildings. This is where we will achieve it through transport. This is where we will achieve it through land and agriculture," and so on, so that all the different sectors understand where they sit in that carbon budget, where they are expected to support it and what leverage will be put in place to support them. Visibility of how it will be funded would also be incredibly helpful.

Mark Ruskell: That is a level of detail that will not come out of the bill at the moment. The expectation is for the Climate Change Committee to produce a pathway, which is more high level. Are you saying that there is a need for more detail up front? Obviously, you cannot provide the final plan, but there is a space where there is a need for more detail. Is that what I am getting from the

panel? Does anybody want to come back on that point?

Mike Rivington: I was trying to emphasise the need for a contingency plan. The advice that has come from the Climate Change Committee so far has been good in setting things out at the top level, although it has not necessarily reflected how dynamic the whole circumstances are. Having a contingency plan in the plan would be advisable to account for the variations that we are likely to face.

Mark Ruskell: From the climate science perspective?

Mike Rivington: From the climate science perspective, there are still large uncertainties. As I alluded to earlier, there are some things that are pretty certain. Basically, things are happening faster than we previously thought. Therefore, the rapidity of all our responses needs to be commensurate with that.

Jamie Brogan: I will make an observation, although I do not know whether this will directly respond to your point. In our planning, there is a bit of a budget assumption that the problem is largely for the public sector to fix. Actually, there is an opportunity to leverage in the private sector, if we build the capacity, get the right messages out and make the right case for investment. There are undoubtedly opportunities, both on a commercial basis and for delivering wider socioeconomic benefits from investment in climate action. I do not think that we have done enough collectively to share that investment challenge with the private sector in Scotland.

The Convener: The deputy convener wishes to come in.

Michael Matheson (Falkirk West) (SNP): Thank you, convener, and apologies for missing the start of the evidence.

I am trying to get a clearer understanding of the dynamics of the situation, which a number of you have referred to in your evidence. Clearly, there will be changes. When you are planning anything over a five-year period, you build in a range of risks into that five-year process, and there are a range of assumptions that you have to make. Of course, those assumptions could prove to be wrong, for a variety of reasons, and some of the risk that you may attach to some of those assumptions may eventually prove to be wrong, too. As climate science develops in terms of its own intelligence and understanding of what is happening, you have to take account of that. Technology can play a role, and there will be a degree to which the public sector and the private sector take up some of the finances that are required to meet this challenge.

I will explain what it is that I am trying to understand from your comments so far. In setting a five-year carbon budget, whether it is aligned with the UK or not, and in then producing a climate change plan alongside that, the biggest elephant in the room is probably the finance that is required to deliver those things. What do you think should happen if the Scottish Government sets a five-year carbon budget and sets out its climate change plan but then finds that decisions that are taken elsewhere—for example, a cut to capital expenditure by the UK Government—have a direct impact on the delivery of its carbon budget and on delivering its climate change plan? How do you think the process should work so that the Scottish Government could come back and point out that a 9 per cent cut to its capital budget has a direct impact on its ability to fund some of the programmes that would deliver on its carbon budget? How do you think the Scottish Government should go about saying, “Hold on—we need to take a step back now,” having set a budget for five years, so that it can revise it as a result of a decision made elsewhere in the UK that has a direct impact?

I suspect that Cornilius Chikwama is probably the person I am directing my question to the most here. Can you give a sense of how we achieve clarity and clear direction, which we heard about earlier, on how we are going to achieve our targets but also, as our colleagues from local government have said, how that will be financed?

Cornilius Chikwama: That is an important question. It underlines the importance of having a plan that gives clarity on what the intent would be if circumstances change and if, because of that, we cannot meet the target or stay within budget. There is an option to adapt the plan to the new circumstances, but there is transparency that we are changing the approach because circumstances have changed.

There will still be a lot of unknowns. I take the view that staying within budget is important, but it is not the end, as long as we have a clear understanding of why we have not been able to stay within budget. If that is due to factors that are beyond our control, which we can test if we had a plan to start with, there will be clarity on why the budget has not been met.

That is where the dynamic budget that Mike Rivington talked about becomes important. It means that you can look at future budgets and take a view of how we adjust them to ensure that we take into account the fact that we have not been successful in earlier budgets.

Michael Matheson: So, in your view, if we set a five-year carbon budget and there are external factors that have a direct impact on that, there should be a clear reporting mechanism for the

Scottish Government to identify the factors that are impacting on the delivery of the budget and quantify the impact that those factors are having on the budget in trying to achieve the objectives.

Cornilius Chikwama: That is right. Having clear transparency is important. It gives credibility to the budget and confidence to stakeholders who have an interest in the issue.

Michael Matheson: Thank you.

Bob Doris: I will stick with the deputy convener's line of questioning and flip my questions around. My first question, which again is probably for Cornilius Chikwama, is about how we monitor and report on all this. There have been concerns that the bill may lead to a dilution in the approach to reporting. My understanding is that, under the existing legislation, annual reporting mechanisms will endure despite the changes in the bill. The Climate Change Committee has suggested reporting twice within the five-year cycle. Has the Government got the balance right in the reporting mechanisms in the bill?

Cornilius Chikwama: I do not know whether my colleagues want to come in while I reflect on this one.

It is important that reporting is frequent. The critical point is when you make a judgment as to whether you are achieving the ambition that you have set out. If you have earlier reporting that shows that you are not on track to hit the five-year target, that allows you to adjust your plan, accelerate progress et cetera. I would say that still having regular reporting within the five years is important, because it gives you interim data that allows you to make judgments about whether you are on course to hit the budget at the end of the five years. However, that reporting should not be the basis on which we hold the Government to account, because it still has five years—or it might be four—to stay within budget.

Bob Doris: Before I bring in Jamie Brogan, do you want to add anything to that? I imagine that, if the bill is passed, Audit Scotland will have to do some monitoring on the issue. Taking into account what the deputy convener said about the need to be explicit on whether the Scottish Government's progress has been blown off track because of, say, a shock to its capital budget as a result of decisions by Westminster or other unforeseen events, is Audit Scotland content with the provisions for reporting and monitoring mechanisms in the legislation as it stands?

Cornilius Chikwama: I will probably need to come back to the committee on that, Mr Doris, if that is okay.

Bob Doris: Okay.

Cornilius Chikwama: Those are very specific questions that I will need to consider. I am happy to write to the committee, if that is all right.

Bob Doris: That would be helpful. It may be that some of those provisions could be developed further in secondary legislation, so you might want to consider that. Jamie Brogan wants to come in.

Jamie Brogan: I presume that the purpose of reporting is to monitor progress, check whether plans are still credible and respond accordingly. One of the challenges with the current reporting mechanisms, or with the things that they report on, is that emissions data comes with a long time lag—two years—so our ability to be responsive and agile is not very good.

To give confidence that you are actually delivering the progress that you want against the emissions sources that you are trying to tackle, you need to use different measures to ascertain the credibility of progress and whether plans are actually delivering. That is one of the things that we are trying to shift now, but it involves a fundamental shift in what is reported on. The budget and the emissions are the framework against which long-term progress is monitored but, in the short term, you need to look at how you are making progress against the things that are actually going to effect change.

Bob Doris: I understand that the bill that we are scrutinising is framework legislation and that further details will come in secondary legislation. However, would you change any specific aspects of reporting and monitoring?

Jamie Brogan: We are getting more into the delivery component now.

Cornilius Chikwama: What Jamie Brogan said has helped me to reflect a bit more on the previous point. There is reporting on emissions, which—as he said—comes with a lag, and that can be quite difficult to deal with. There is also reporting on the actions that would be in a plan to support the realisation of the carbon budget.

It would be helpful if there was an arrangement that allowed for a regular update to Parliament on progress that is being made against the plan, because it is the plan that will be critical in ensuring that we stay within budget. That is where we will be able to pick up external factors that may be blowing us off course and to check whether we can take other measures in mitigation. Making a distinction in the plan between reporting on emissions and reporting on progress will be important.

Bob Doris: That is helpful; I note that there were a lot of witnesses' heads nodding in agreement.

I flip back to my first question; Alison Leslie may want to pick up on this one. The committee wants to check whether the bill has any implications for climate justice and the just transition principles. As you know, each climate change plan must include a statement on both those aspects. Will moving from the annual targets to the five-year carbon budgets have any implications for that?

Alison Leslie: Again, that will depend on what is in any plans and timetables and on ensuring that that is brought forward in a fair, just and transparent way. That can be done in two ways—by ensuring that there is sufficient time to bring in the measures that will make the reductions and, alongside that, by ensuring a just process in terms of skills, any transition that industry needs to make, and understanding and communications.

Bob Doris: What the committee may be establishing is that this is not about the five-year budgets but about getting the delivery plan in place and how we monitor that to hold Government and other agencies to account. We are considering enabling legislation, so I wanted to check that there is nothing inherent in the bill that would seek to dilute any commitment to a just transition or to climate justice.

Mike Rivington: There might be a risk that shifting to the five-year plan and not having a very clear plan could be seen as implying that there is less urgency. There is a communications issue with the public in how that will be perceived. I urge caution to make sure that that is promoted as an attempt to improve what we are trying to do with the timelines and the plan, rather than as a watering down.

Bob Doris: Could that be mitigated by the annual reporting under proposed section 34A of the Climate Change (Scotland) Act 2009? If that reporting made explicit reference to how any of this has impacted on a just transition or climate justice, would that give a degree of reassurance? Should that provision be explicit that that is to be part of the annual reporting commitment?

Mike Rivington: On the basis of conversations with my colleagues, I think that our interpretation would be that there is a risk of things dropping off the radar a bit in media coverage. The advantage of regular reporting periods might be that the whole issue stays more in the public focus. The CCC has identified that 68 per cent of the reductions can come from behaviour change, so keeping the issue in the public focus is important—again, with positive messaging.

As for the bill's specifics, I am not in a position to respond.

Bob Doris: You like the focus that comes from annual targets getting media exposure and you want to ensure that that continues to be the case

under the proposed annual reporting mechanism, even if it does not report against annual targets.

Mike Rivington: Yes. At such a key period of transition in our society, it is really important that that is kept in the public focus, because it will influence people's thinking and their decision making about how they consume resources, which then fits with the plan.

Bob Doris: That is reasonable. Jamie Brogan wants to come in.

Jamie Brogan: I am conscious that we are getting into delivery and away from the bill, but the convener can bring us back to the bill if he wants to. We could alleviate some of that issue by presenting the plan in a more visible way to the stakeholders that we are trying to influence change with, which are the public and businesses.

Annual reporting is not the only way to keep things in the public consciousness. That can be done in different and far more transparent ways that give people confidence that we are not drifting off the agenda. It does not have to be an annual reporting process that does that.

Bob Doris: I have no further questions, convener. I thank Mr Brogan for making that point, because my experience has been that the annual reporting gets incredibly complex for the wider public. The reports are not very accessible, and all that people hear is that there are missed targets; they do not hear all the other positive things that are happening. Local authorities, public bodies and the private sector are saying that significant progress has been made, so Mr Brogan's point is really important to put on the record.

The Convener: I am sure that the Government was listening to Jamie Brogan's proposal.

Douglas Lumsden has questions.

Douglas Lumsden: My questions go back to reporting. The first, which is for Cornilius Chikwama, is about section 36 reports. If the Government misses a target now, it has to issue a section 36 report about how it will get back on target. I guess that, when we move to a five-year cycle instead of annual targets, officially a section 36 report should come out only every five years if a target is missed. Could something else be put in place so that, if we are slipping from those targets, we can get more regular reporting on how we will get back on track? Maybe you would like to reflect on that and come back to the committee.

Cornilius Chikwama: It probably comes down to my earlier point about how we report against the plan. If we set out what we will do over the plan's five-year period, and if we give regular updates on the progress that we are making on the actions, we can provide a level of confidence that we are heading in the right direction in terms of hitting our

five-year budget target. I think that focusing on the plan would be almost like a midway to addressing that challenge.

As Jamie Brogan said, if we focused on the emissions, there would always be the difficulty of the time lag with our reporting; it would probably be two years after the end of the five-year period before we knew what the emissions were. Focusing our scrutiny on what we are doing to address the actions that were set out in the plan might be a way of managing that.

10:15

Douglas Lumsden: If we were falling behind where the plan might be suggesting that we should be, would a section 36 report be needed at the midway point?

Cornilius Chikwama: I would not want to take a view on whether a section 36 report would be needed, if we were focusing on the plan. However, if reporting on the plan demonstrated to us that the Government had or had not done what it planned to do, that would give us information that would allow us to judge whether the budget remained achievable. I would not want to express a view on whether that should then become the subject of a section 36 report.

The Convener: I am a great one, certainly in business, for setting out milestones that are achieved each year. We are setting out milestones for a five-year budget and the Government is proposing that there is annual reporting. The fact that there are no defined milestones suggests that it would be difficult for people to identify where we are at, apart from taking a subjective view on whether we would reach the five-year point.

What Cornilius Chikwama just said slightly worries me, in the sense that the report will not be published until two years after the five-year budget term has concluded. At the moment, it is set up so that it will come out at what I will rudely call the fog end of the parliamentary session, or not even that—it will be available only in the next parliamentary session, so we will not be able to hold the Government to account on it. Do you see there being problems with that under the bill?

Cornilius Chikwama: That is a real challenge. I am probably not being clear. I am trying to say that the best way to address the challenge is not to rely too much on emissions to inform the milestones, but to base the milestones on the activities that are in the plan, which can be tracked more regularly. If we say that we will do X, Y or Z in year 1 of the five-year budget term, we can observe whether those things have taken place. I am trying to make the point that it is about what is used to inform the milestones; I do not know whether I am being clear.

The Convener: You are being clear; I am just wondering whether we need milestones.

I will bring in Jamie Brogan and then go to Bob Doris and the deputy convener. I am sorry—I have stirred up a hornets' nest.

Jamie Brogan: Essentially, what has been said is the point that I was trying to make. In response to Bob Doris earlier, I said that this is about shifting towards delivery. It is about what we monitor progress against so that we can see evidence of change now. There needs to be credibility with what we choose to monitor in the five-year budget and things need to be in place that will enable the targets in the next budget period to be met.

We could give the committee practical examples. One of the shifts that will have to be made is a modal shift in transport to get people out of petrol-driven vehicles. To measure progress, you would need to see how many people were moving to different forms of transport and what measures or provisions were being put in place to enable progress to be made. Those are the only things that would make a plan credible; if it did not have those kinds of details, it would not really be a plan.

This is about a transition to a different set of measures, which is the delivery of the actions, as Cornilius Chikwama said. That involves a very different monitoring process.

The Convener: I am looking at the other witnesses, but if no one wishes to comment, I will bring in Bob Doris again.

Bob Doris: Mr Brogan might have crystallised the issue. It is all about moving away from the question whether we are on track with our five-year carbon budgets because, ultimately, that issue will take care of itself when we report on them. Instead, we need to drill down much more carefully, because our milestones will be our specific sectoral targets for construction, for decarbonising heat networks, for transport and so on. We need to drill down into delivery for each of those sectors, and the Parliament can play much more of a role in scrutinising that as part of the climate change plan.

In the past, we have had this high-level stuff about whether we are meeting targets, but the fact is that we can meet targets and still not be on track, because we have not done the hard miles to do the things that have to be delivered, say, nine, 10 or 11 years out. We need to look much more at the sectoral milestones, which will involve the climate change plan, not the five-year carbon budgets. Have I got that right, Mr Brogan?

Jamie Brogan: Yes.

Bob Doris: Thank you. I understand it now, convener.

The Convener: That is perfect. I call the deputy convener.

Michael Matheson: I want to pick up on the issue of the section 36 report, which gets triggered at the point when the data on our overall sectoral emissions levels comes out and we see whether we have achieved what we said that we would achieve. If we miss our target, a section 36 report is required.

The bill will remove any requirement for a Government to do anything in the five-year period to revise either its budget or its climate change plan if it becomes very evident that it will not achieve the sectoral reductions that it was looking for. I understand the focus on delivery—the climate change plan is critical to achieving that—and I also recognise and understand the time lag in getting the data on carbon in our sectoral emissions and our national emissions. However, it would be good to get clarity on whether the bill should contain some statutory requirement on the Government and ministers to take corrective action when it becomes apparent that they will not achieve their intended targets through the carbon budget and the climate change plan or make the reductions that they had intended, and to produce a plan that demonstrates the action that needs to be taken to address the gap that might be starting to open up.

I understand the plan with regard to policy implementation and taking things forward, and I understand the time lag in the data, but I am trying to get clarity on whether we should wait until the end of the five-year carbon budget period or whether there should be a requirement on ministers to take action when it becomes apparent what is happening. In year 2, we could have a panel in front of us saying, “It’s very clear that the Government will not achieve what it intended to”, but there would be no statutory requirement on that Government to bring forward a corrective budget or plan to address the gap. Should there be?

Cornilius Chikwama: Yes. There ought to be a process that allows the Government to take stock of the progress that it is making and to make clear judgments as to whether it is on course to achieve targets or stay within budget. If it is not on course, the same process should compel it to take corrective action. Therefore, I entirely agree with what you have set out.

What I am perhaps not able to comment on precisely is whether that route should be through a section 36 report or some other mechanism. Without the sort of thing that you have described, the plan becomes almost irrelevant, because we

could just continue without making progress and find at the end of the five years that we had not reached our targets. The question, then, would be what was the purpose of the plan. There has to be some mechanism for reviewing progress against the plan and taking corrective action as and when required, but I am not sure that I can say for certain at the moment that the section 36 route is the right solution. I am sure that others will have a view on that.

Jamie Brogan: I will admit at this point that I am not an expert on legislation, and I do not know what section 36 means. However, I agree that you need to hold people to account for non-delivery against progress.

The question that I would pose back to you, which will not surprise you, is that the response to that does not have to be the writing of another static plan. We need to get away from that process, a little. The duty—however it is written into legislation, guidance or whatever—is to keep monitoring whether or not you are making the required progress through appropriate measures and, if not, to respond appropriately. I hope that shifting to a different way of managing that gives you better foresight than just relying on a five-year, two-and-a-half-year or one-year review against some data that has a two-year time lag on it.

Mike Rivington: I would have thought that there would be some logic in having a statutory requirement for review and revision, because the information that you would get from that would presumably be of importance to other aspects of policy and might affect things such as trade and consumption—and, therefore, government revenue. For example, if you have to revise the plan because—heaven forbid—we are missing targets, that will have implications on the rest of the functioning of the economy. It therefore makes sense to make a statutory requirement of monitoring, reporting and verification of the plan—and adjustment if we miss targets—because of the wider implications beyond the bill.

Michael Matheson: That is helpful. Section 36 in the existing legislation is basically a catch-up plan for a gap that has opened up. For example, if we were meant to get to 60 per cent but we are at 55 per cent, the Government is legally obliged to show how to close the gap that has started to open.

I am conscious that, in earlier exchanges, there was a discussion on the dynamic nature of the reporting mechanism and the monitoring of it, which is critical to ensuring that the Government is on course. Is there a need for us not necessarily to have the section 36 provision as it stands in the existing legislation but to ensure that there is a mechanism whereby, if it starts to become obvious that a gap is opening up, the Government is

legally obliged to bring forward clear plans on how it will close that gap? The danger is that, the longer you leave it, the greater the gap becomes over time. Should we not look at some form of mechanism in the bill to require the Government to do that?

The Convener: I put on the record the fact that Cornilius Chikwama, Jamie Brogan and Mike Rivington all nodded their heads wisely. Do you want each of them to respond?

Michael Matheson: Yes, if they wish; however, my impression from their earlier comments is that they think that there should be something in the bill to deal with the issue but are not sure what it should be.

The Convener: Claudia, you are almost nodding your head. Are you in agreement as well?

Claudia Cowie: I am just thinking in more practical terms about how we manage that sort of thing in my organisation. That is why I am nodding. We provide to our sustainability committee six-monthly updates on all the progress on actions that do not come with carbon figures attached to them but that, in that realm, will support our mitigations, adaptations and sustainability efforts. I was just trying to think of what that might look like, practically, for the Government. I am no expert on that.

The Convener: Deputy convener, you might have had another question on reporting, but that might have been cleared up.

Michael Matheson: It was touched on by Bob Doris. It was that the Climate Change Committee suggested—if I am reflecting it correctly—that it would probably look to report on progress twice during the period of a five-year carbon budget. That was in the correspondence that the Scottish Government received from it in May.

10:30

I want to get witnesses' views on the Climate Change Committee's current plan for reporting on progress against the Government's carbon budget and climate change plan. Is it sufficiently frequent or should reporting be more frequent than every two years or twice during the five-year period? Do you have a view on that?

Jamie Brogan: We have gone round this a little already.

Michael Matheson: We have touched on it.

Jamie Brogan: If you put in place something that is more transparent and that allows you to manage your planning, delivery and monitoring in a different way, the concerns about the frequency of reporting will be alleviated a little. The two-year idea is probably fine.

Cornilius Chikwama: I am thinking about the role of the Climate Change Committee and the frequency of reporting. I reflected earlier on who would look at progress against the plans and whether that might be Audit Scotland, but it would make sense if that were done by an independent body, such as the Climate Change Committee. That answers the first part of the question.

It seems reasonable to have reporting every two years, so that it would happen roughly twice in a five-year period and perhaps also in-between. It will be important to have an independent view of progress against the plan, alongside whatever update the Government will provide.

Michael Matheson: I have a general sense that, if the monitoring and on-going evaluation are correct and transparent, there should be no surprises in the reports that come from the Climate Change Committee every two years. Transparency, along with clear, dynamic and on-going monitoring, will help to reduce the need for big set-piece reports that tell us every now and again to do something, and we should be able to take corrective action at an earlier stage. That is the general sense that I am getting from the evidence that we have heard today and from what you are saying.

The Convener: I see lots of nods, which cannot be seen in the *Official Report*, but which can now go on the record.

Mark Ruskell has a follow-up question and some others.

Mark Ruskell: To wrap up the conversation, it seems that you are talking about a dynamic reporting situation. Climate science might change within a five-year period; the financial situation for UK devolved Administrations might change dramatically; we might make less progress on our plans than we thought would be possible; and there might also be a UK plan that increases, or does not increase, our ambition.

You already brought up all those circumstances in your evidence. Would they trigger an update report, a rethink or a section 36 report? Do we need some dynamism in reporting and in the updates to plans?

Cornilius Chikwama: There will probably have to be a threshold to trigger something. If a judgment said that the changes or developments that we are observing will have a material impact on our ability to achieve the target, I would expect that to trigger some changes. The question is who would decide whether those developments have a material impact.

There is a wider point about the governance arrangements that ought to support that. What roles will the CCC and the Scottish Government

take in updating the Parliament? There might be a role for Audit Scotland. The more I reflect on it, the more it seems that we must think carefully about the governance arrangements to ensure that they are effective.

It almost goes back to the work that we did on the Scottish Government's arrangements for delivering action on climate change, where we identified a number of governance issues and risk management challenges that needed addressing. The new approach might present a new set of governance challenges that we will need to respond to with a new way of managing risks. I am unable to say now exactly what that will be, but the issue is probably something for the committee to reflect on. What are the right governance arrangements to support the new approach that we are considering?

Mark Ruskell: It might not be only the Climate Change Committee that raises concerns. You, Environmental Standards Scotland and others might also do that.

Cornilius Chikwama: That is right.

Mark Ruskell: Are there any other brief comments on that?

Jamie Brogan: My comments might not be so brief. I apologise for that. I want to take the opportunity to bring together some of the things that we have mentioned at various stages throughout this evidence session and to perhaps link them back to what Cornilius Chikwama has just said.

All the evidence and experience shows us that we are fundamentally struggling with delivery, so we need to move to a planning process that supports delivery better. As I have said before, that will mean a shift from the static, long-term planning and review process, which has a lot of reporting built in at the stage gates, to a more dynamic process that we can respond to. There are probably a couple of components to that: one is a shift towards a more digitally enabled process that uses real-time data, and the other is a shift in what we measure against, which we have already talked about.

The question that is raised by the bill is who will do the independent review. If the CCC comes in every two years, what will be the governance for how we respond to that? Who will say, "This shows us that we're working at the local authority level, but we could be working at the national level as well"? Who will say it if our plans are not credible and prevent us from being told that at a later date, as a nasty retrospective shot, by the Climate Change Committee? We should know about that earlier because we have scrutinised it. We need to think about what our mechanisms should be for setting that up and responding. Who

will be accountable for that? How will we bring different agencies in? What are the roles of Audit Scotland and the Climate Change Committee?

It is about shifting that so that we are on the front foot in supporting delivery. Sorry—I am on my soapbox now.

Mike Rivington: It is worth being aware that the private sector will be, to some extent, doing its own thing. At the moment, I am seeing a lot of interest in supply chains demonstrating their environmental credentials, which includes some aspects of greenhouse gas monitoring, reporting and verification to show those credentials. We could tap into that area, whether that is done by an independent body such as the Climate Change Committee or another appropriate body. I note that such things are happening outside the policy sphere.

I also flag up that there are global measures that are updated each month to show how the global situation is tracking. In considering what Scotland is doing to compare itself against other places, we need to keep our eye on that ball as well. In Scotland, we have a great opportunity to demonstrate that we can go through the transition and have a healthy, good economy, while also influencing what other people are doing around the world. I think perhaps—

The Convener: Mike, I have been allowing a certain amount of leeway, but we are trying to scrutinise the bill that is before us. I am going to drag you back to how we can do that, how we—as a committee and a Parliament—and the people of Scotland can hold the Government to account, and whether the bill needs to be changed.

Mike Rivington: I apologise, convener. The point that I was about to make is that we should consider how people outside Scotland are independently measuring emissions. Their work can be seen as a sort of benchmark against which we can compare ourselves, which will enable us to be held to account.

The Convener: That was a very nice segue back to the subject area—well done.

Mark Ruskell: In evidence the other week, we heard about the legislation in Ireland, where the sources of advice and guidance are drawn quite widely. The Northern Ireland Government can take advice from the Republic of Ireland Climate Change Advisory Council and other sources of information as well.

I move on to public engagement. The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 contained a requirement to hold a one-off, stand-alone climate assembly. I am interested in hearing from local government colleagues about the linkage between the Scottish Government's

work on behaviour change and support for communities that are driving action on the ground. A reflection on where that currently sits would be useful.

I would also like to hear any wider reflections on whether there is anything else that should be in the bill, or any proposed changes that are currently in it, that could drive more public engagement work with communities. Perhaps Claudia Cowie and Alison Leslie can start with their impressions of how climate action planning is landing in communities. Are we fully utilising the resources of communities in that regard?

Claudia Cowie: Alison Leslie and I are in neighbouring local authorities, so we share a climate hub. The Scottish Government has been funding climate hubs across Scotland to undertake community engagement and connect up all the different hubs in the regional areas. Our hub is the North East Scotland Climate Action Network. Because it is funded so well, it has had opportunities to go into communities to hold local climate assemblies. It has linked up with different council departments, and it has been working to engage local communities in various parts of Aberdeenshire on the different challenges that they have. On the community side, engagement is being driven through those hubs.

I have not looked back to see whether NESCAN responded to the call for views on the bill. I do not know whether it has been able to undertake engagement and provide feedback in a response, so I cannot give an answer on that.

Alison Leslie: We work collaboratively in our place-based work in the city. For example, we have the net zero Aberdeen route map, which has six enabling strategies, one of which is empowerment. Those strategies are each led by different organisations, and NESCAN contributed to that process, so it is a fundamental part of bringing together the pieces of that multifaceted jigsaw.

Community engagement is hugely beneficial on this journey. It may not be so concerned with the ins and outs of the mechanisms in the bill, but it is about what can be delivered on the ground, which is what will make meaningful changes to people's lives, and where that will have co-benefits for people's day-to-day actions.

Public engagement is important. With regard to the bill, it would be beneficial to build an understanding of how that might connect to what can be delivered locally and how we engage communities in taking forward locally based actions.

Jamie Brogan: It is clear that community engagement is critical for the behavioural changes that we need in order to make progress against

the sources of emissions that remain. I have been involved in quite a lot of work around place-based climate action and governance, and one thing that I have observed—I do not know whether the bill can help to address this—is that it is fragmented and very much subject to issues of competition and continuity around funding. We wind up with a lot of well-intentioned organisations all coming along separately. They do not necessarily have any continuity, and they are reliant on the enthusiasm of volunteers, rather than being active as a collective. That is a bit of a struggle—it could be better.

I do not know whether the bill could fix that by providing a bit more continuity of funding and a bit more support for a more co-ordinated approach to community engagement, if that is appropriate.

Mark Ruskell: What would that look like? Would there be a requirement in the plan to deal with public participation and engagement? As I mentioned, the 2019 act had at its heart a specific requirement for a citizens assembly, but that is only one way to cut it with regard to public engagement. I am interested in your thoughts about how we cement public engagement in the plan as we move forward.

Jamie Brogan: It comes back to the points that we made earlier about giving people confidence that this work is a long-term thing. It is about a commitment to the public engagement strand of our activity and what that means for real people in terms of the changes that are expected of them and why they are making those changes. Rather than taking a top-down approach, it needs to be about saying, "This is why this is happening, and these are the benefits that you will realise from this change." We are undoubtedly expecting people to make changes that will materially affect how they go about their day-to-day lives.

10:45

Mark Ruskell: Okay. Do other witnesses have any thoughts on that?

Mike Rivington: The whole point of public engagement is to communicate information. Unfortunately, there is still misinformation, whether that is deliberate or accidental. The bill could include a mechanism to establish a trusted voice. Off the top of my head, I note that an example of that is BBC verify. When incorrect information is circulating, its approach is to try to paint a more balanced picture. That is really important because, when we are asking people to change their behaviours in order to achieve the plans, that needs to be based on the right information. People will naturally latch on to information that fits their narrative. I am thinking, for example, of information that we are seeing in agricultural

circles about emissions from agriculture. There are still uncertainties about that, and we need better information to support it.

On public engagement, when we are presenting information, it is essential that the right information is provided on how to achieve the reductions and that it comes from a trusted voice.

Cornilius Chikwama: I agree with what my colleagues have said, but I add that there are two dimensions to public engagement. One type of engagement involves setting out what we want to achieve in society, but there is also a type of engagement that ought to reflect that it is the actions of individuals in society that will make a change or will deliver the change that we want to see.

Currently, one of the key areas of challenge concerns how people heat their homes. In that regard, people will be making decisions about their households. The issue is how people will move themselves from point A to point B. We almost need to look at individuals as intervention points for achieving what we want to achieve, in addition to their being members of society with whom we need to engage on the societal challenge that we face. Separating those things out is important, because the type of engagement that we need will be very different depending on which perspective we take.

The Convener: Douglas Lumsden has a question, and I will then bring in Jackie Dunbar, who has sat very quietly in this session.

Douglas Lumsden: I return to the point that was made earlier about organisational targets and geographical targets. We have 32 local authorities, of which 17 have set geographical targets and 26 have their own organisational targets. If we look ahead to carbon budgeting, what needs to be put in place? What help do local authorities need to have such targets in place? Some local authorities' targets are more ambitious than the national targets and some are less ambitious. How do we get all the targets flowing down to local authorities in the correct way? Alison, do you want to have a stab at answering that first?

Alison Leslie: We have a consistent target across our council on our organisational and our place-based emissions. There is consistency, but we have separate plans, because we have separate actions to take within those. As I mentioned earlier, we need to bring together a range of practical components in order to deliver that. It can take time to bring together the enabling infrastructure, such as pieces of the electric vehicle charging infrastructure, before things will start to deliver action on the ground.

Assurance is the key thing that we need in order to drive those targets forward. We need that

tumble down of market availability of products and supply chain availability of the components that we will need to deliver that change, and we need access to funding in order to scale up and deliver that change. It is about balancing that blend of actions.

We have an internal carbon budget, which supports our council's organisation and improves our internal monitoring of progress on that.

Claudia Cowie: I agree with everything that Alison Leslie said, but I also note that collaboration is important. Local authorities need to have a place where we can work together and share all the knowledge and opportunities when we are looking to do joint projects. There are funding streams available that will allow that to happen a lot more easily than current processes do. Organisations such as the Sustainable Scotland Network allow that space for sustainability officers to come together to discuss challenges, and SSN can approach the Convention of Scottish Local Authorities or the Society of Local Authority Chief Executives and Senior Managers. That is a big part of it.

We all have plans and we are all individually trying to do this, but it has to be done much more collaboratively. That will also provide some security for things such as the supply chain and the investment that is needed where businesses are sticking. That applies in addition to the point that Alison Leslie made.

Douglas Lumsden: Do we not already have organisations in place that will make collaboration better and easier? I am thinking of COSLA, which you mentioned, and its close work with the Scottish Government. Does that not work at present?

Claudia Cowie: COSLA is specifically for local authorities. I hope that the agreement of the climate delivery framework will provide further opportunities for that collaborative working. However, there is not much security around the funding and support for organisations such as the Sustainable Scotland Network and the Scottish Climate Intelligence Service, which I mentioned earlier. The funding is all annual, so we do not have the security of on-going support. That is absolutely needed.

As an example, Aberdeenshire Council is a large organisation with over 10,000 staff, and we have me, two sustainability officers and one local heat and energy efficiency strategy officer trying to build capacity and capability across that enormous organisation. We are trying to ensure that we are not doing that alone, by speaking to other officers—and not just those in local authorities, because many other public sector bodies are doing great things, and we are trying to learn from

that external support. It is important to have places where we can collaborate. That is an essential part of climate action, because we cannot do it individually.

Douglas Lumsden: You say that you have a small team. Is it about working on organisational change as opposed to geographical change, or is it a bit of both?

Claudia Cowie: It is both. One of my officers runs and supports the climate ready Aberdeenshire initiative, where we are trying to do that wider piece of work, but we have had to step back a bit on the regional piece. As the climate hubs are being funded to do that work, we have tried to rely on them to support some of our work. There is still a lot to do internally, where we have direct control, but we are also looking at the influence piece. We will be engaging with the Scottish Climate Intelligence Service to upload all the data and information that will go into the ClimateView platform. That will be quite resource intensive, but that is fine, because we can see the light at the end of the tunnel in relation to support for the regional piece.

The regional bit is challenging for us. How do we engage with the wide variety of businesses and communities? You will know from being in the north-east that it is different depending on the area, and there are different needs and approaches. The way that we deal with that is to learn from others as much as possible.

Jamie Brogan: A thumbs-up emoji to everything that Claudia Cowie said. We are running a capacity-building programme for all 32 local authorities. We recognise that they are all at different stages and they work at different paces. The opportunity is to get them to tackle this as a shared problem by working together so that, by the end of the process, they all have plans.

COSLA, which Douglas Lumsden mentioned, was tremendously helpful in getting everyone to agree that the 32 organisations should work together instead of going off and creating their own plans. However, although it was instrumental in that respect, it does not necessarily have the expertise and the capacity to provide that support and service itself.

Douglas Lumsden: As far as the carbon budgets are concerned, there will be a lot to do over the next five years.

Jamie Brogan: Oh yes.

Douglas Lumsden: How will the funding go to local authorities to ensure that they have plans in place that can feed into the national plans? Do you feel that the funding is in place now? Are we ready to do that?

Jamie Brogan: Are you asking me whether there is enough money going into that? I think that you will know my answer to that.

Douglas Lumsden: There is never enough money, but are the structures there?

Jamie Brogan: I am sure that Claudia Cowie and Alison Leslie will have a view on this, too. We have mentioned having continuity and confidence that the things that are already there will be there for the long term. We need that. Frankly, I am always going to say that more needs to go towards the climate and sustainability plans.

To highlight another point that we made in our response, I do not think that you should look at that just as a cost; instead, you should look at it as an investment in the future, because there are returns in the form of socioeconomic benefits. There are benefits not just in climate terms, but in terms of job creation, public health and so on. My point is that you should put more resource towards these challenges, but you will get a return from doing so if you take a long-term approach. There is evidence that supports that. I am not sure whether that really answers your question.

Douglas Lumsden: It gives us a steer. Thank you.

The Convener: This has been a marathon session, but we still have a few more questions. Jackie Dunbar has some, I have some, I think that Douglas Lumsden might have some, and there might well be a few follow-up questions from other committee members. However, I do not want anyone to feel under pressure, as there is more time available. I will suspend the meeting briefly, for five minutes, to allow people to stretch their legs. We will then come straight back with Jackie Dunbar's punchy questions.

10:56

Meeting suspended.

11:03

On resuming—

The Convener: Welcome back after that short break. We have just a few questions to go.

For those who have been waiting for Jackie Dunbar's questions, they are next. Jackie—you are on.

Jackie Dunbar: Thank you, convener, and thank you for that short break. I know that I appreciated it.

We all know that hindsight is a wonderful thing, but looking back over the past five years, what do you think should now be done differently to meet the 2045 targets?

The Convener: Before we get answers, I want to make sure that Monica Lennon and Claudia Cowie are back. I cannot see them on the screen. *[Interruption.]* They are there now. I am sorry, Jackie—I just did not want them to miss any comments that might be made.

Jackie Dunbar: Did Monica and Claudia hear the question? I see them indicating that they did. In that case, I will not repeat myself.

I will come to you first, Alison. What do you think should be done differently?

Alison Leslie: I guess that monitoring could be more structured; after all, a really strong monitoring framework will allow you to have a sense of where you are at any given time. To go back to what the other members of the panel have said, if monitoring includes a combination of strong key performance indicators that show the transition actions, alongside the wider actions on emissions, it really helps to structure things, to look ahead and to see what is needed to address any gaps.

Jackie Dunbar: Key performance indicators have not been mentioned much, so far. Do you think that they will be vital, as we move forward?

Alison Leslie: That will depend on what is brought in as part of a wider monitoring framework. Would that give us a sense of how much of the transition has been made, what is contributing to it and whether things are on track? Moreover, does what is happening reflect the scenario modelling—that is, the looking ahead that we have done with regard to the pathway that we need to be on?

Jackie Dunbar: Okay. Claudia, I come to you next, then Jamie Brogan.

Claudia Cowie: In addition to those suggestions, I think that an eye needs to be kept on the finances, how things are going to be funded and where expectations are.

For me—that is, for local authorities—the questions are these: what will be in place to support the work, and how do we bring it all back to some sort of certainty? We have an idea of that from what has happened over the past five years, but as we go into the next five years, if the bill is passed and the carbon budgets and the plans that relate to them are put in place, we will need to know what is to be expected of us, how things are going to be funded, how we are going to be supported, how all of this will impact on our reporting going forward, and how it will be connected with the work that is already being done with the Scottish Climate Intelligence Service.

It is all about connecting everything and trying to get more alignment among all the various parts and mechanisms that are in place for climate

action to ensure that when we, as a team or as an organisation, report here, everything is linked to everything else that we are doing, so that we do not have to do things more than once or in a repetitive way. Ensuring that everything is aligned much better with the new budgets and plans will really support us and our work.

Jackie Dunbar: When you talk about budgets, do you mean the budgets that local authorities get from the Scottish Government, or the budgets that local government has for achieving its goals? I realise that it could be both.

Claudia Cowie: I was just about to say that. It is a bit of both, is it not?

I guess that it is about how the funding comes in to support climate action. One of the ways in which we like to approach this is by trying to link the co-benefits. In other words, this is not just a climate action project; the money is going to be utilised by the teams that are working on fuel poverty and so on, so it is about how all that links together. If that sort of thing is demonstrated in the plan, and if that is how we are expected to fund the work, we will need visibility of where the money is to support the actions in delivering not just Scotland's carbon budget but our own internal budgets.

Jamie Brogan: Obviously, this is all about the shift from target setting and strategies to planning and delivery. As Claudia Cowie has said, it is better if we take common approaches, use common methodologies, share the journey and better co-ordinate things, because that actually makes it easier for people in the supply chains to do business with us and support our ambitions. I think that we could unpick the issue for some time, but I will not do so.

A particular issue that I will highlight is the need to build capacity around investment, particularly to overcome some of the systemic gaps in our climate delivery system, which touches on a point that Claudia Cowie was making. The ability to make a business case for mixed sources of finance that is about both the public good and a commercial return is a skill set that is not as widely spread as we need it to be among the people who are currently charged with delivery.

This is a whole other topic of conversation, so you can rein me back in again if you want; however, there is a real need to build some capacity around investment and to help local authorities and other programme owners to build that capacity so that they can deliver on their ambitions. Otherwise, the question will always be this: where is the money coming from?

Jackie Dunbar: That is the question that everybody always asks about everything.

Jamie Brogan: It is.

Jackie Dunbar: Mike Rivington, are you indicating that you would like to come in?

Mike Rivington: I just want to make a few quick comments. There are opportunities for more scientific scrutiny to keep on top of the monitoring, reporting and verification, and possibly for better representation of the Climate Change Committee within the Scottish Government, so that communications are better between the two and the Government is not waiting for periodic updates.

We are also looking at the possibilities for cross-policy cohesion. We are talking about horizontal, vertical and diagonal cohesion across different policies, because the net zero targets cut across many different departments and policy areas. Perhaps more can be done to make sure that there are synergies across policies. I am thinking in particular of the Agriculture and Rural Communities (Scotland) Act 2024 on greenhouse gas emissions from agriculture and land use, for example, and how that relates to other areas of policy.

Jackie Dunbar: Thank you.

My next question is for Cornilius Chikwama. What needs to be done to ensure that the climate change challenge is absolutely embedded in the wider work of the Scottish Government? I think that Claudia Cowie has touched on that. Is there a need for clearer and fuller net zero assessment in all the Government's spending, and in local government spending?

Cornilius Chikwama: Yes. I will pick up on what Mike Rivington has just said. The nature of climate change means that it cuts across many policy areas, so we need to find a way of ensuring that we think across all policy areas about what contributions we are making to achieving our climate change aims. The critical thing with the bill is to make sure that whatever ambition we set is credible, achievable and relevant, and that it contributes to our 2045 target.

The work that we have done in Audit Scotland shows that a number of areas are really important. I have touched on some of them. One is about ensuring that we come up with cost-effective measures that allow us to travel on that journey to 2045. That is how we will make the change, but do so in a way that makes best use of public resources.

Claudia Cowie talked about finance. We need to be honest about what we can afford in the financial situation that we are in, which will obviously evolve over time. We also need to be clear about where we need legislation to support what we are doing and about how much time it will

take for us to put in place the necessary legislation that will allow us to deliver what we are looking for.

Some of those things will require businesses and households to act, but markets are needed to support what households can do. The work that we did on decarbonising heating of homes, for instance, showed that the market that is necessary for that transition is still developing, so what is the role of policy in ensuring that it can emerge fast enough to support the change that we want?

We have talked about dependencies with the UK. They are crucial across all the areas that we are looking at.

The final thing that I want to emphasise is about making sure that we get the governance right and that it is effective for driving the change that we want.

Jackie Dunbar: Thank you. I note that Jamie Brogan and Mike Rivington agree with you. Is there anything that you would like to add before I pass back to the convener?

Jamie Brogan: The only thing that I will do is echo what Cornilius Chikwama said. To be effective, we need to embed climate impact in decision-making at all levels across organisations, because it is an interdisciplinary cross-functional thing, and a central strategy function can often be overridden by a local culture—as, I am sure, you know.

11:15

Mike Rivington: I apologise if I am coming from a place of ignorance with this question.

We are talking about five-year targets, but the Government works on five-year cycles, as well. Where does ownership of the targets sit? Is it with the Government or with Parliament? I am only partially aware of this, but I believe that Denmark might be an example of where the issue has been owned by Parliament as opposed to by the Government.

Jackie Dunbar: I will pass over to you, convener.

The Convener: Thank you. Mark, do you want to come in briefly on that?

Mark Ruskell: Yes. I want to ask Cornilius Chikwama about Audit Scotland's view on where the Scottish Government is. Audit Scotland produced a report some time ago that looked at the need for effective assurance, enhanced governance and workforce planning within the director general for net zero's area. This meeting is an opportunity to reflect on whether governance is set up correctly in relation to the bill. Does Audit Scotland have concerns about progress in that regard, or are you content with the fact that the

Government is taking on the reforms that you have highlighted?

Cornilius Chikwama: We have a programme of monitoring progress against our recommendations. The latest update that we had from the Scottish Government showed that it was making progress; it was putting in place a lot of the things that we had asked for. The monitoring exercise is on-going, but what we have seen has been encouraging.

The question that I think arises is whether the governance arrangements that we have now will be fit for purpose when we will be using carbon budgets and moving away from annual targets. We probably need to reflect on that point. I believe that there is a challenge for the committee in looking at what the right governance arrangements might be for the new approach that we are looking at, because they might be different to what was there in the past.

Mark Ruskell: We are now in the window for considering that, and it will close soon—in a matter of weeks. Any reflections that the witnesses have, whether in this meeting or in the hours to come, on how we can improve governance at this point would be useful. Jamie Brogan, do you want to come in on that?

Jamie Brogan: Yes. I have to leave it to the committee to decide what the appropriate governance structures and levels are, but I have been talking about the information and data that can inform governance.

Saying this might be going over ground that we have been over already, but it is very difficult to govern when you are waiting for information that is out of date and not very responsive. A more dynamic and proactive view, with information being fed into whatever governance structure you have set up, will give you more confidence and better visibility of where you are in terms of delivery, at both local and national levels, then you will be better informed to govern. I think that the opportunity to capitalise on that exists now. How the committee chooses to respond with regard to putting something in place, and what powers the governance body has, are questions that you probably have to ask yourselves.

Have I dodged the question there? *[Laughter.]*

Mark Ruskell: No. Are there any other comments?

The Convener: Mike Rivington looks as though he wants to leap in with a quick comment.

Mike Rivington: I am just questioning whether there is an opportunity for the targets, the review and the plan to receive the same level of scrutiny as the financial budgets do.

The Convener: Okay.

I am going to talk briefly about the financial memorandum, which I guess anyone would describe as thin gruel. The Government, in its defence, would say that it will not cost anything to come up with a climate change plan, because it was coming up with something anyway, and that it already has all the resources it needs to come up with the carbon budgets. However, the bill relies on subordinate legislation to set up the carbon budgets and the climate change plan, and they will have a cost and will not necessarily have financial memorandums.

Claudia Cowie, you were quite forthright, I think, in your submission on behalf of your organisation. I am trying to remember the exact words that you used—you probably have them in front of you. If I remember rightly, you said that there was not enough time and not enough detail. Is that a good or bad synopsis?

Claudia Cowie: On the time point, the fact that everything—even the call for views—happened across the summer recess made it very difficult for officers to engage with our elected members and ensure that we had an Aberdeenshire Council response. The financial memorandum is a good example of that, because we had only a week to look at it.

As you said, the financial memorandum is very thin. That could be because of all the points that you have made—it is specific to the bill and the plan, and the resource might already be in place. In some ways, though, it is a bit challenging because, as an organisation, we are asking what the bill will mean for us. Will it bring financial changes to us in how we must now look at our targets? What will come from the climate change plan? What will be embedded in the statutory guidance that we will now have to take on board? For us as an organisation, there are resource implications—around officer capacity more than anything else—that I think the financial memorandum has not considered, although, as it is aligning with the bill, I guess that it is accurate.

The Convener: In response to your comment, it is fair to say that the committee did not get sight of the bill until 5 September, so we ran the consultation on the basis of a best estimate of what would be in it. I apologise that it appeared over the summer recess, but we could not do it any earlier.

Cornilius Chikwama, my next questions are for you. Are you happy that the financial memorandum is sufficient? Do you think that the subordinate legislation that will come up with the climate change plan must be properly costed and funded, instead of just saying, “Here are some

things we'd like to achieve, but we have no money to do them"?

Cornilius Chikwama: For it to be credible, the plan ought to be costed and clear about the resource that we need.

On a related point, we must recognise that, if we are going to work with the five-year budget period, we also need to think about how that aligns with the financial budget cycle, because we are almost challenging planning to be done on a five-yearly basis. How will that work with annual budget cycles? How much certainty and confidence will that give that those five-yearly plans can be delivered? That is just an extension of your question.

The Convener: Let me push you slightly on that point. Should we state, or try to state, in the legislation that the Government is introducing that the climate change plan must be fully costed, so that people know where they are going? Surely, setting out a management plan without knowing how much it will cost in pounds, shillings and pence ain't gonna work, is it?

Cornilius Chikwama: That sounds like a reasonable ask. I would say that it is the bare minimum that we need to know.

The Convener: If that is a reasonable ask, do you believe that it would help you, as a council, to work out how you will deliver on the climate change plan that will be produced, Alison Leslie?

Alison Leslie: That depends on whether the climate change plan defines what local authorities are accountable for and any requirements within that. The data platforms that we have coming through will help us to understand what is needed and the implications thereof. It is a big adjustment to take on board, though, so we need to know what it will cost and what funding mechanisms will support delivery of the actions and where we can join up governance to make economies of scale and bring down costs.

There is a mix of components. We should not think about it purely in financial or costed terms but should look at how the dots join, what we can access and tap into, and what we need to bring on board in order to deliver, so that we are not duplicating. We need to blend that mix of components.

The Convener: I will flesh that out a bit. If the plan is to reduce heat in buildings and get every property up to a sufficient standard, whatever that standard is—it could be the energy performance certificate or whatever comes from that scheme—and you know that there are 10,000 houses that do not meet that standard and that the average cost of addressing that is £30,000 per house, you will work out exactly how much money you need to

upgrade those houses. Having that set out in a plan would make for nice reading, but it would not make it possible to quantify or achieve that.

Alison Leslie: The plan could support us in what we would gain through bringing in skills, so that we had sufficient skilled staff or could contract people who could take on the retrofitting work. A plan could allow us to understand what funding mechanisms we could use to access that work, which would allow us to programme in the work and understand the pace at which we needed to do it. It would be a blend of those components.

The Convener: I worked out that it would take the Highland Council three quarters of its annual budget over the course of a couple of years to get its properties up to the required standard.

Claudia Cowie, do you want to add anything before I bring in Bob Doris?

Claudia Cowie: As Alison Leslie was speaking, I was thinking that the Highland Council, Aberdeen City Council and Aberdeenshire Council have a joint procurement service, and the economies of scale that that could create, which Alison was talking about, could be very helpful. If we knew what the plan was and what we needed to deliver, we could go out to the market as a much larger conglomerate and say, "This is what we require." That might help to drive down some of the costs.

Bob Doris: Cornilius Chikwama, your evidence was very helpful. However, in your answer to the convener about the financial memorandum for the bill, you spoke about the need to have much more detail of the finances that will need to be deployed to meet the climate change plan. For clarity, were you talking about the financial memorandum for the bill or about the need for there to be detailed budgeting when the climate change plan is published—in, I would imagine, late 2025?

Cornilius Chikwama: Sorry—I think that I was speaking about the climate change plan.

Bob Doris: That is helpful.

The deputy convener was exploring the theme of the information that the climate change plan would have. Would it be helpful for there to be as much transparency as possible on the amount of money that we would expect to be able to leverage in from, say, the private sector, and the amount of money that we would expect to leverage from local authorities, other public bodies and the Scottish Government?

There could be slippage on those amounts for whatever reason, whether because of UK Government capital cuts or because the market is not leveraging in as much cash as possible. Should the financial plan be an iterative process, so that it is regularly updated with as much transparency as possible? In year 1, we have

financial assumptions, but we all know that those things are a moveable feast—we plan for the long term, but there are short-term fluctuations. What information on that would Audit Scotland find useful?

Cornilius Chikwama: I think that you have summed up well what financial information we would expect. We need a resource from Government with an understanding of how that would be profiled over the five-year period and whether that resource is affordable. The private sector also has a role. That might be difficult to quantify, but it is important to be clear about what instruments are available to enable access to private sector lending. I am thinking of the work of the green heat finance taskforce, which looked at how we leverage private sector funding in order to help households to decarbonise heat in homes. It remains unclear how much progress we have made in that respect.

For that specific objective, you would need to be clear about what arrangements you had put in place to provide access to private sector finance. It would also be important to recognise how much private sector investment is being made each year, because, when investments are made, you are making progress towards achieving the ultimate goal. Again, monitoring investment might be a way of knowing how much progress we are making if it was clear what investment was needed in the first place.

Bob Doris: That is helpful.

11:30

Jamie Brogan: To a certain degree, we are learning as we go. We still need to understand the role of the public and private sectors in funding the just transition that we are trying to build for ourselves. The role of the public sector is not always to fund the whole thing; there is a balance. In laying out your budget and your plans for the next however many years you choose to lay them out for, you need to invest in co-ordination and capacity building for finance and investment, because the knowledge of different finance models and how those align with the different low-carbon challenges that we have set ourselves is not widely held. Unless we build that knowledge, we will not be very well set up to match the programmes and the ambitions that we have to the finance that we need in order to deliver. The finance and investment will not all come from the public sector.

The Convener: It is probably fair to say that both the deputy convener and Bob Doris talked about cuts. Of course, it could work the other way—there could be more money to spend, which might allow us to reach our targets earlier.

I thank the witnesses for giving evidence. We have had quite a long session of two and a half hours, and I appreciate the time that you have given us at short notice. It has been really helpful. The committee will carefully consider your comments and will have to report back to the Government very quickly.

11:31

Meeting continued in private until 12:23.

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