

Public Sector Leadership on the Global Climate Emergency

Guidance, October 2021

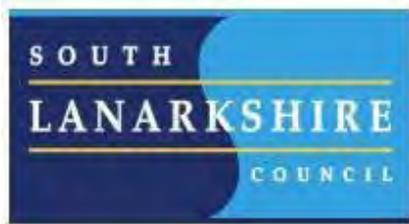


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Acknowledgments

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Executive Summary

The leaders of Scotland's public bodies have a key role to play in the crucial period to 2030 in the shared national endeavour to tackle the global crises of health, climate emergency and biodiversity loss. Scotland is committed to achieving a 75% cut in greenhouse gas emissions by 2030 and net zero emissions by 2045. Delivering these national targets presents huge challenges in terms of the pace of action and the skills and finance required. The public sector is crucial to the implementation of national and local climate policy. Public bodies are also expected to show leadership by continuing to reduce their own emissions quickly – most sectors, including the public sector, will need to reduce emissions close to zero without offsetting for Scotland to meet its national climate change goals.

Public sector leaders must take strong action over the next decade to promote climate policies, to tackle the significant new challenge of decarbonising the £13.3bn of annual public sector procurement, and to continue to curb emissions from the public sector estate and fleet.¹

Working together to build a greener, fairer, prosperous Scotland, the Scottish Government and Scottish Green party shared policy programme, published on 20 August 2021, sets out that public sector funding should be conditional on levering in wider benefits, such as the just transition to a net zero economy, and that this will be the subject of consultation.

The agreement also commits to developing and agreeing through consultation a series of phased targets for the decarbonisation of public sector buildings starting in 2024, with the most difficult buildings like hospitals being decarbonised by 2038, and for all publicly-owned buildings to meet zero emission heating requirements, with a backstop of 2038.

The Scottish Green Public Sector Estate Decarbonisation Scheme provides a number of support mechanisms for heat decarbonisation and improving energy efficiency across buildings owned by the public sector in Scotland. The Scheme will distribute the £200 million of capital support pledged over the next 5 year period to aid the decarbonisation of Scotland's public sector estates.

Public bodies have had statutory climate change duties since 2011. Section 44 of the Climate Change (Scotland) Act 2009 requires a public body, in exercising its functions, to:

- contribute to delivery of Scotland's national net zero target (mitigation – reducing greenhouse gas emissions);
- help deliver Scotland's climate change adaptation programme (adaptation – resilience to the impacts of a changing climate); and
- act sustainably (sustainable development as a core value).

¹ Scottish Ministers wrote to Council Leaders and the Chairs and Chief Executives of public bodies across Scotland in March 2021 on public sector leadership on the global climate emergency **Annex A**. Ministers also wrote to Chief Officers with a specific call to action on supply chain emissions **Annex B**.

The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015 introduced mandatory annual reporting by public bodies on compliance with these climate change duties.

Scotland's unique reporting duty has been widely credited with driving climate action and delivering robust measurement of public bodies' scope 1 and scope 2 emissions. There is now a strong demand among the sector for robust, consistent and comprehensive measurement and reporting of the entire carbon footprint of public bodies to support the accelerated action now needed. The Scottish Government is committed to continuing to engage with Scotland's public bodies through networks like the [Sustainable Scotland Network](#) (SSN) to support this work.

In response to the global climate emergency and Scotland's net zero by 2045 target, and following public consultation in 2019, the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Amendment Order 2020 set out additional requirements for reporting periods commencing on or after 1 April 2021. Public bodies' annual climate change reports must now also include:

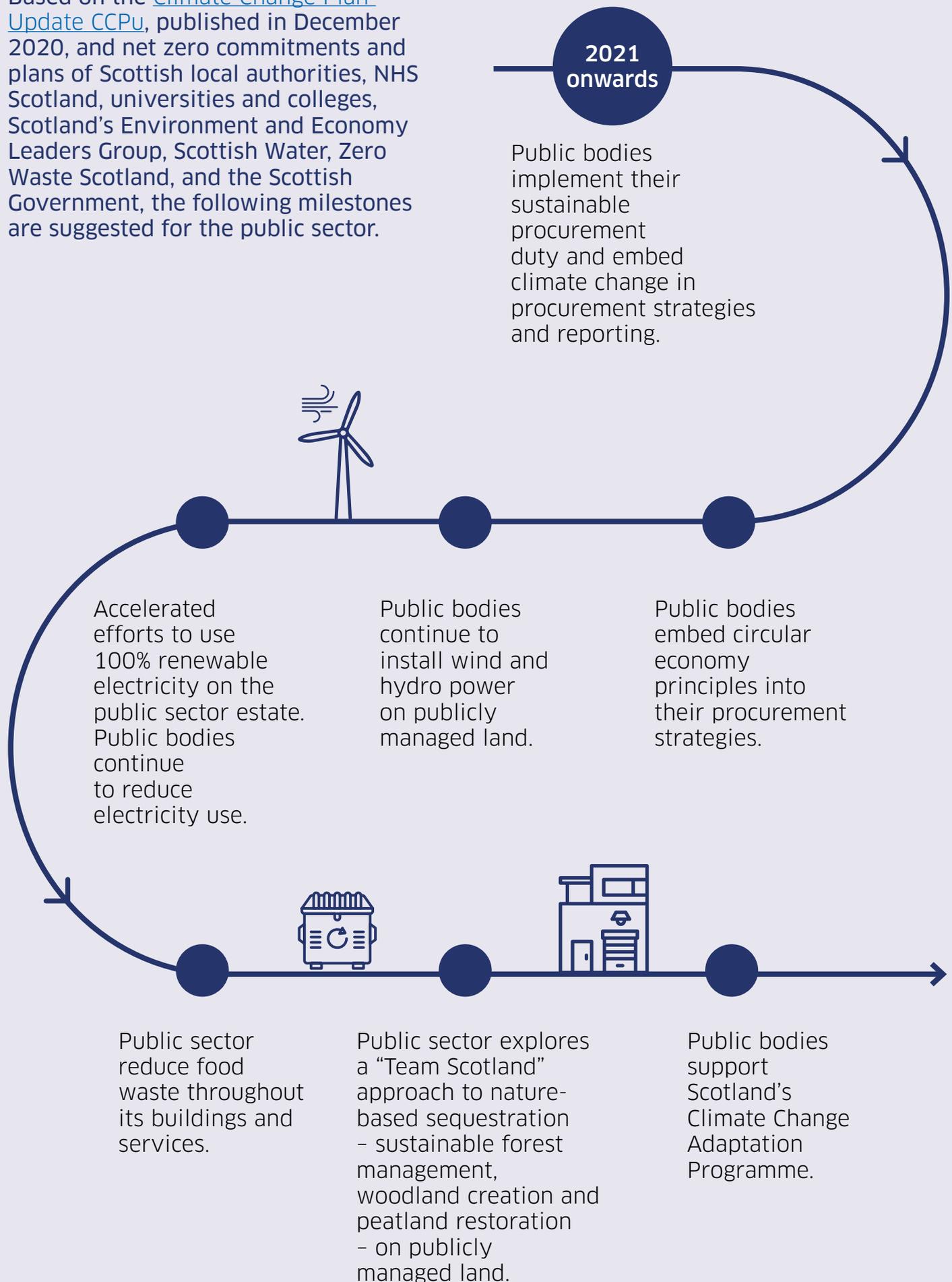
- where applicable, the body's target date for achieving zero direct emissions of greenhouse gases, or such other targets that demonstrate how the body is contributing to Scotland achieving its emissions reduction targets;
- where applicable, targets for reducing indirect emissions of greenhouse gases;
- how the body will align its spending plans and use of resources to contribute to reducing emissions and delivering its emissions reduction targets;
- how the body will publish, or otherwise make available, its progress to achieving its emissions reduction targets; and
- where applicable, what contribution the body has made to helping deliver Scotland's Climate Change Adaptation Programme (currently the 2019-2024 Programme).

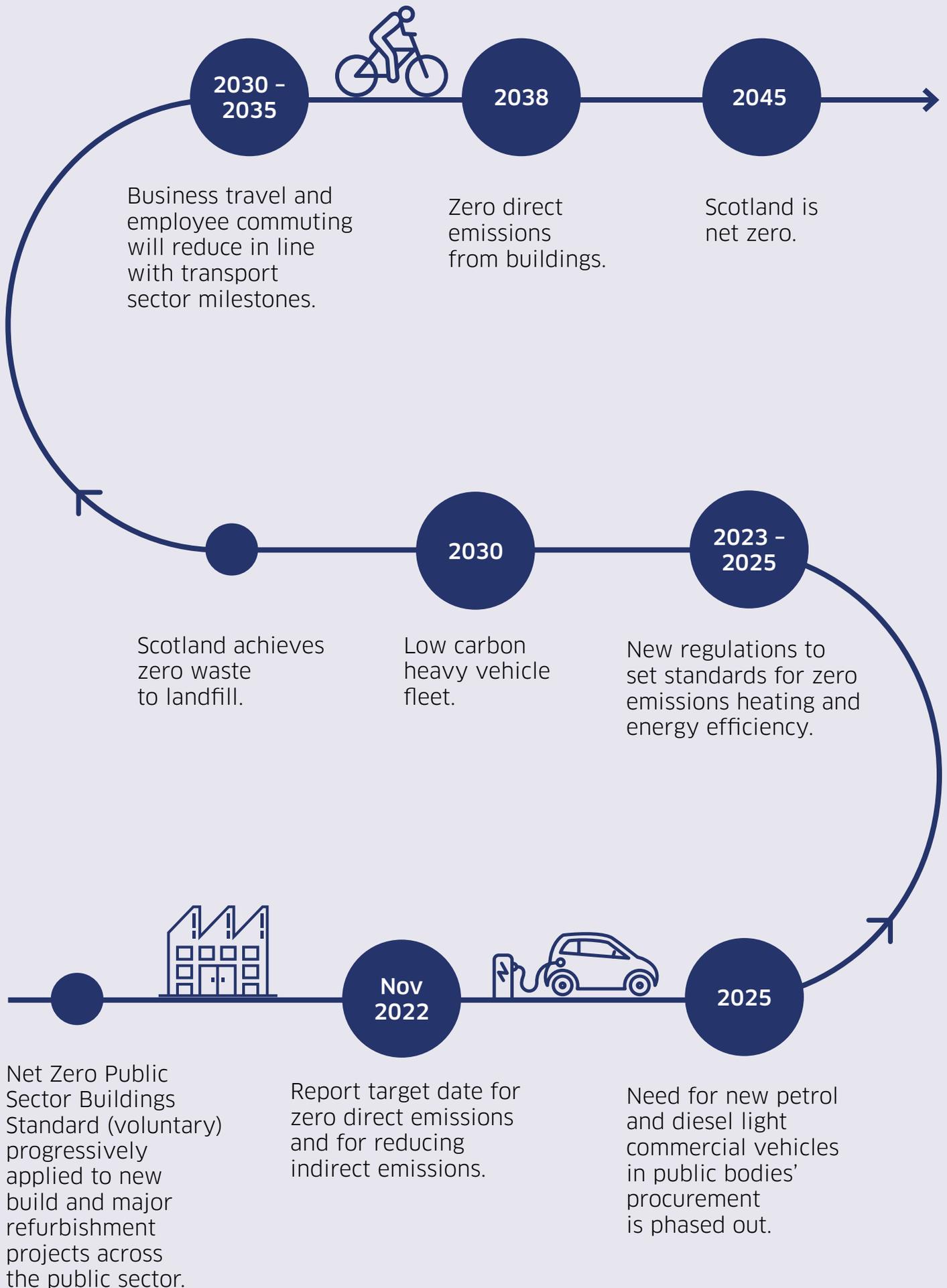
The SSN Strategy 2020-2024, supported by the Scottish Government, recognises the reality of the global climate, ecological and public health emergencies, which are exacerbating the stark inequalities in society. These demand a just transition towards a sustainable Scotland, and investment in a green recovery from the impacts of COVID-19. The SSN Strategy sets out the opportunity for the public sector to lead by example in low carbon behaviours and adoption of innovative low carbon technology solutions, and ambitions centred around three themes: net zero places, net zero indirect emissions, and net zero public sector organisations. The Strategy stresses that Scotland needs its public sector bodies to work together on these challenges with clear leadership, consistent policies and improved knowledge, skills and resources.

This Guidance provides advice for public bodies on: leadership; robust, consistent and comprehensive carbon management; interpretations of the strengthened legislation; and resources available to support public bodies.

6 Public Sector Leadership on the Global Climate Emergency

Based on the [Climate Change Plan Update CCPu](#), published in December 2020, and net zero commitments and plans of Scottish local authorities, NHS Scotland, universities and colleges, Scotland's Environment and Economy Leaders Group, Scottish Water, Zero Waste Scotland, and the Scottish Government, the following milestones are suggested for the public sector.





Detailed guidance on Climate Change Reporting and Action



Definitions

Accountability

The obligation of an organisation, or named individual, to account for its activities, accept responsibility for them and disclose the results in a transparent manner. Accountability can be defined as the ultimate responsibility.

Adaptation

The adjustment in economic, social or natural systems in response to actual or expected climatic change, to limit harmful consequences and exploit beneficial opportunities.

Audit

Defined as a systematic and independent examination of data, statements, records, operations and performances (financial or otherwise) of an enterprise for a stated purpose.

Baseline year

Historical period specified for the purpose of comparing GHG emissions. A baseline year is usually set for a whole target period e.g. a baseline year of 2010 used for the target period 2011 to 2015.

Boundary

Greenhouse Gas (GHG) inventories or carbon footprints are defined by boundaries. The boundary chosen should be in line with the GHG Protocol on corporate emissions. Ideally boundaries need to be expressed in terms of both the estate and services included (the organisational boundary) and the operational emission sources included.

Carbon emissions

This term is used as short-hand for greenhouse gas emissions (which, in addition to carbon dioxide, also includes methane, nitrous oxide and refrigerant gases).

Carbon equivalents

GHG emissions are measured in tonnes of CO₂ equivalents which is a quantity that describes, for a given mixture and amount of greenhouse gas, the amount of CO₂ that would have the same global warming potential (GWP), when measured over a 100 year timescale. These units therefore enable comparison of different greenhouse gases emitted, or saved, at different project stages.

Carbon footprint

This is an estimate of GHGs emitted to, or removed from, the atmosphere over a set period of time and is expressed in units of CO₂e. A carbon footprint of an organisation refers to the sources within the footprint boundary chosen by the organisation and is likely to cover energy in buildings, street lighting (for local authorities), waste, business travel and fleet but could also include other emission sources. The carbon footprint discussed is therefore specific to each organisation.

Carbon Management Plans

These are designed to assist organisations in lowering their carbon emissions whilst saving money on energy costs. Carbon Management Plans typically include a carbon baseline, a corporate reduction target and a register of projects to be undertaken which will contribute to reduced emissions and often lead to increased efficiencies and reduced costs.

Circular economy

This is an alternative to a traditional linear economy (make, use, dispose) in which resources are kept in use for as long as possible, extract the maximum value from them whilst in use, then recover and regenerate products and materials at the end of each service life.

Direct and indirect emissions

The Greenhouse Gas (GHG) Protocol defines direct and indirect emissions as follows:

- Direct GHG emissions are emissions from sources that are owned or controlled by the reporting entity.
- Indirect GHG emissions are emissions that are a consequence of the activities of the reporting entity, but occur at sources owned or controlled by another entity.

Embodied carbon

Defined as the energy use and resulting carbon emissions released during the extraction, manufacture, sale, transport, assembly, installation and disposal of products or services.

Emission factors

Used to convert 'activity data' such as distance travelled, litres of fuel used or tonnes of waste disposed into units of carbon dioxide equivalents. For some activities, e.g. units of electricity consumed, the factor changes on an annual basis and the correct factor should be used for the relevant period. For the majority of activities undertaken by the public sector in Scotland, the relevant emission factors can be found in the webpages called Greenhouse Gas Conversion Factor Repository (currently hosted by the Department for Business, Energy and Industrial Strategy).

Emission reduction

Reduction in emissions relative to a baseline (e.g. wind turbines replace coal electricity generation).

Global warming potential (GWP)

Factor describing the radiative forcing impact of one mass-based unit of a given GHG relative to an equivalent unit of carbon dioxide over a given period of time (usually 100 years). GWP is used to 'translate' other greenhouse gases into units of carbon dioxide equivalents for comparison.

Greenhouse gas

Any gas that contributes to the greenhouse effect by absorbing infrared radiation in the atmosphere.

Organisation

Company, corporation, firm, enterprise, authority or institution, or part or combination thereof, whether incorporated or not, public or private, that has its own functions and administration.

Resource efficiency

Reducing the total environmental impact of the production and consumption of goods and services, from raw material extraction to final use and disposal route.

Responsibility

A duty or obligation to satisfactorily perform or complete a task (assigned by someone, or created by one's own promise or circumstances) that one must fulfil, and which has a consequent penalty for failure.

Whole Life Costing

Refers to the total cost of ownership over the life of an asset. Typical areas of expenditure which are included in calculating the whole-life cost include planning, design, construction and acquisition, operations, maintenance, depreciation and cost of finance and disposal.

Net Zero

Where the total greenhouse gas (GHG) emissions put into the atmosphere would be equal to or less than the emissions removed from the atmosphere.

Insets

Are activities within the organisations operational boundary, such as enhancing the carbon sequestration of their own land holdings, or by agreement, on public land.

Offsets

Are externally verified and purchased/sold on a market.



New net zero Parkhead Health and Care Centre, Greater Glasgow and Clyde Health Board

1. Guidance Overview

This section of the guidance provides public bodies with an overview of policy areas, action plans and targets across key areas of emissions and climate action.

This guidance is in part to support the strengthened statutory climate change reporting duties and the requirement for public bodies to report:

- ▶ where applicable, the body's target date for achieving zero direct emissions of greenhouse gases, or such other targets that demonstrate how the body is contributing to Scotland achieving its emissions reduction targets; and
- ▶ where applicable, targets for reducing indirect emissions of greenhouse gases.

This guidance does not cover the wider role of public sector in climate leadership.

The scope of this section is to provide expectation over:

- ▶ the leadership and governance within public bodies on climate action;
- ▶ the standard of greenhouse gas reporting; and
- ▶ action on different emissions categories e.g. Buildings, Transport etc. for public bodies' organisational emissions.



2. Supporting National Climate Change Policies and Action

Scotland has set in legislation world-leading climate targets, to cut emissions by 75% by 2030 and 90% by 2040 from the 1990 baseline and then to achieve net zero emissions by 2045. How these targets will be achieved is outlined in the publication of the [Climate Change Plan Update](#).

Scotland's public sector is providing front-line leadership and advocacy across the full range of climate and related policies including:

- a just transition and green recovery to a resilient net zero economy;
- investment in green energy and supporting green jobs, training and skills;
- low carbon transport and active travel;
- emissions reductions from energy efficiency in buildings and from low carbon heat;
- decarbonisation of the £13.3bn of public sector procurement; and
- adaptation of public services to the impacts of the changing climate and the implementation of nature-based solutions.

Other key policies for the public sector are: planning and place policy; waste recycling and circular economy; health and wellbeing; land use, agriculture and biodiversity; and public engagement.

Given the global climate emergency, public bodies must play a key role in the national endeavour to achieve net zero emissions by 2045, by:

- aligning investments and programmes with the priorities of the updated Climate Change Plan to support a just transition to net zero and a green recovery;
- engaging the private sector to encourage them to take action towards a just transition, including transition planning, a commitment to partnership working, placing equity and environmental considerations at the heart of decision-making and supporting good, green jobs and sustainable procurement;
- Using their influence in communities and sectors they work in, leading the way on decarbonisation;
- helping to develop case studies to showcase action; and
- accelerating action to become a net zero organisation.

14 Public Sector Leadership on the Global Climate Emergency

Public bodies have been required to take action on climate change for many years and the statutory requirements have been strengthened over time. The statutory framework for climate action and reporting is outlined below:

- Section 44 of Part 4 of the Climate Change (Scotland) Act 2009 places duties on public bodies relating to climate change which entered into force on 1 January 2011.
- Section 44 says that a public body must, in exercising its functions, act:
 - in the way best calculated to contribute to the delivery of Scotland's national emissions reduction targets (known as 'mitigation');
 - in the way best calculated to help deliver Scotland's statutory climate change adaptation programme;
 - in a way that it considers is most sustainable.
- Section 46 of the 2009 Act and The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015 have required over 180 listed public bodies to report annually on compliance with their Section 44 duties since 2015-16.

- The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Amendment Order 2020 sets out that, by November 2022, public bodies will be required to provide in their statutory annual climate change reports:
 - where applicable, the body's target date for achieving zero direct emissions of greenhouse gases, or such other targets that demonstrate how the body is contributing to Scotland achieving its emissions reduction targets;
 - where applicable, targets for reducing indirect emissions of greenhouse gases;
 - how the body will align its spending plans and use of resources to contribute to reducing emissions and delivering its emissions reduction targets;
 - how the body will publish, or otherwise make available, its progress to achieving its emissions reduction targets; and
 - where applicable, what contribution the body has made to helping deliver Scotland's Climate Change Adaptation Programme.



Balfour Hospital, NHS Orkney, Scotland's first net zero hospital.
Photo © Keppie Design and David Cadzow

Net Zero Places and the Wider Influence of Public Bodies

The public sector plays a vital role in enabling Scotland's transition to net zero. Through their varied functions, public bodies can have a wide and significant influence on emissions far beyond their organisational boundaries. Public bodies can and must act collaboratively to create the conditions by which national, regional and local scale emissions can be reduced in line with Scotland's targets.

The Climate Change (Scotland) Act 2009 places duties on all public bodies to use the range of their functions to address climate change. Public bodies have a wide range of functions that can influence emissions. These include spatial and transport planning, place-making, investment, infrastructure development, economic development, funding, regulation, communications, education, community development, and partnership development and facilitation. At a local authority area level, community planning is a statutory requirement to support and enable community empowerment and place-making. Local authorities have planning and financing powers, and at national and regional levels a range of public bodies have powers and responsibilities for planning, development, investment and public engagement. All of these functions need to be brought to bear to enable Scotland to increase the scale and pace of climate action.

The wider influence of public bodies on emissions can be categorised, in part, as the Scope 3 upstream and downstream impacts of their functions. For example, when developing new housing in a locality, there will be upstream impacts due to the resources used in the construction of the housing, and there will be downstream impacts due to the emissions generated by the new households. Housing should be developed with these upstream and downstream impacts in mind, and action taken to have a positive influence along the 'value chain' that public bodies can influence.

Another way of addressing these wider influence emissions is through the lens of place-making and the need to transition to net zero places. In many local authority areas, for example, public bodies are working together to develop net zero plans and partnership on area-wide emissions. Local authority place-based emissions work is guided by the [GHG Protocol for Cities | Greenhouse Gas Protocol](#), and can often be linked to local authority commitments e.g. the [Global Covenant of Mayors](#). While less mature than corporate emissions monitoring, reporting and verification, this area of standards, protocols and approaches is developing fast, reflecting the scale and importance of public sector action on place-based emissions.

Policy commitments that are driving forward place-based climate action include policies on Local Heat and Energy Efficiency Strategies, National Planning Framework 4, policies on active travel, car journey reduction targets, the development of concepts such as the 20 Minute Neighbourhoods, and the use of the Place Standard Tool to develop climate smart localities, and the Scottish Government's response to the Scottish Infrastructure Commission.

Examples of local authority place-based climate action in Scotland include examples in Scotland's cities – for example Glasgow, Edinburgh, Dundee, Aberdeen, Stirling – and in other areas such as Dumfries and Galloway and Fife. Local and regional partnerships are being formed, such as in Aberdeenshire and Ayrshire, and targets are being set by local authorities for their areas. Net Zero Plans are also being developed, with work commissioned by the likes of Dumfries and Galloway Council and Shetland Islands Council. In some areas, Community Planning Partnerships are being used to drive local collaboration and coordination of place-based climate action. Place-based climate action is also being researched and developed by the UK-wide [Place-based Climate Action Network](#), with University of Edinburgh and the City of Edinburgh Council being the leads for this multi-year research and development programme. This programme is supporting the development of local area Net Zero Routemaps, informed by the work of the Leeds Climate Commission.

Emissions data is available to inform local authority place-based climate action. The UK Government provides the [Local Authority CO2 dataset](#), which also contains a sub-set of data on 'emissions under the influence of local authorities'. This data is released annually, and is useful to provide a common data start point which can be supplemented by data available locally to inform local planning. In 2021 the local government Improvement Service integrated these two datasets into the [Local Government Benchmarking Framework](#).

There are also a range of tools that are developing to help support place-based climate action. Many consultancies also have their own tools, based on GPC standards and adhering to the Global Covenant of Mayors guidance. More information about tools can be found on the SSN website.

The Scottish Government and SSN are seeking to develop further guidance and advice on place-based climate action to support public bodies.

3. Leadership and Governance

Senior leadership accountability

Climate change is a responsibility for all organisations, and action on it is a core deliverable of all public bodies. There must be clear accountability across senior leadership in the organisations for climate action. Climate change should be embedded using good governance principles, as outlined, for example in the [CIPFA/IFAC International Framework of Good Governance in the Public Sector](#). Guidance on embedding carbon management in good governance in public bodies is also outlined in the Zero Waste Scotland guide to [Carbon Management: Governance and Accountability](#).

All organisations need to respond to the climate emergency, therefore it is vital that climate action is reflected in the organisation's annual plans and annual reports. Climate change governance must be integrated into the public bodies existing governance approach.

The board/council and senior executive teams must ensure that climate change systemically informs strategic investment planning and decision-making processes and is embedded into the management of risks and opportunities across the organisation.

Climate change must be integrated into financial planning and reporting, and finance teams should be engaged. Organisations may wish to align with external guidance, such as Accounting for Sustainability, a [Net Zero Practical Guide for Finance Teams](#) which outlines actions such as:

- Embedding net zero targets into decision-making processes, including budgeting and capital planning processes.
- Recognising the broader influence and impact that your organisation can have on local development and investment planning.
- Incorporating sustainability into your organisation's financing strategy and communications.

Public bodies should also consider climate risk and adaptation and consider reporting to external frameworks such as the [Task Force for Climate Related Financial Disclosure](#).

Leaders in public bodies should have climate change performance linked to their objectives to ensure clear accountability on performance.

Organisational KPIs

Climate change performance should be included in public bodies key performance indicators (KPIs). These should have a clear link back to the climate change targets the body has set but may also focus on more specific areas of climate action that are the priority for the current period.

Climate KPI performance should be regularly monitored as part of the organisation's performance management, and action taken if performance is going off track.

Climate steering groups

The support of leaders, chairs, boards, chief executives and senior managers for the dedicated communities of energy, sustainability, environment and climate adaptation experts within Scotland's public bodies, has been instrumental in delivering the strong commitments to climate action. Steering committees can be a useful way to drive climate action across organisations.

Steering committees should have representation from all key parts of the organisation to ensure that climate change is properly embedded across the organisation. They should also have clear outputs or deliverables aligned to setting or meeting the organisation's targets.

Carbon in decision-making

The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Amendment Order 2020 includes a question on how public bodies will align their spending plans and use of resources to contribute to reducing emissions and delivering emissions reduction targets.

It is vital that public bodies understand the carbon impacts of their decisions and therefore embed carbon into decision-making processes. Any investment should consider the whole life impact with regards to climate change to ensure that truly sustainable options are selected.



Leadership and Staff Engagement and Training

The importance of supporting public sector leaders and staff on climate action was recognised in the Scottish Government consultation in 2019 and the consultation responses. Climate change is the responsibility of all and needs to be part of all roles, not just environmental leads. Therefore both leadership and role-specific training is very important to ensure staff are confident in climate action and what they need to do.

Due to the importance of training across organisations some public bodies have worked with external providers to seek a Train the Trainer approach, with a smaller group attending external training courses and then being able to train others within their organisation. This approach can be very effective and save costs while maximising impact.

Some examples of external training courses that focus on climate emergency and carbon literacy are included below:

Royal Scottish Geographical Society Climate Solutions Qualification

The Scottish Government has funded the Royal Scottish Geographical Society to develop its **Climate Solutions** qualification launched in 2020 helping organisations embed climate change action at the level where it can achieve the most significant impact. The focus is on identifying and delivering on specific actions and commitments, both organisational and personal, to reduce carbon emissions.

The Carbon Literacy Project

A Carbon Literate Organisation (CLO) is an organisation that has been accredited by The Carbon Literacy Project as having a substantial commitment to Carbon Literacy. CLO accreditation supports the development (and recruitment and retention) of a Carbon Literate workforce and requires an organisation to engage positively with its audience or community in developing and delivering low carbon behaviour.

Public bodies can also influence emissions through engaging with their workforce, working to achieve buy-in to action on climate change at all levels of the organisation, and ensuring that staff feel empowered to play their part in cultural change. This could include raising awareness of the imperative to reduce emissions, addressing this in future workforce skills requirements and training, and creating a sense of shared ownership by asking staff to identify contributions they can make such as switching off office equipment at night. The public sector employs a large number of people in Scotland and the workplace is a key environment in which people can not only learn the skills they need to address climate change but also, through making informed choices in their everyday work environment, promote significant cultural change both there and beyond at home and in their communities.

The Carbon Literacy Project, the Improvement Service and SSN are working together to develop a coordinated programme of Carbon Literacy support for Scottish public bodies. It is hoped that this will be in delivery in 2022.

4. Assessing Organisational Capability

The 2011 guidance recommended mainstreaming which means integrating climate change into the everyday work of a public body at all levels including senior management, policy makers, service delivery and external partners.

The guidance highlighted key outcomes for public sector leaders in implementing public bodies' climate change duties:

- governance supports climate change action;
- strategies/action plans to address climate change;
- outcomes and targets for emissions (direct and indirect);
- integrate greenhouse gases into decision-making through carbon impact assessments;
- preparing for a changing climate;
- supporting climate change awareness and engagement work; and
- acting sustainably.



Balfour Hospital, NHS Orkney.
Photo © Keppie Design and David Cadzow

Action for Leaders: Adopt a Capability Framework.

The Scottish Government is funding and collaborating with Sustainable Scotland Network (SSN) to produce a capability framework for public bodies.

Based on mainstreaming of climate change set out in the 2011 guidance, assessing an organisation's capability on climate action would centre on these requirements:

- Be able to demonstrate commitment and leadership in addressing climate change and consider where appropriate a formal governance system for addressing climate change within the organisation with a nominated lead or champion from senior management.
- Strong leadership and shared ownership of climate change action. Develop commitment to climate change within the senior management of the organisation to ensure that climate change is visible in management processes and decisions and to promote increased awareness of climate change and appropriate action at all levels of the organisation. Taking action to strengthen a public body's governance, leadership and commitment in regard to climate change will significantly contribute to the successful implementation of the climate change duties. Strong governance, leadership and commitment within the public sector is vital.
- By ensuring that responsibility for leadership on climate change is clear within the organisation, both at management level and cascaded throughout, accountability for climate change action will be increased.
- A declared commitment to action on climate change: making a public body's commitment to deliver against the climate change duties visible and transparent, both to those who work within the organisation and to stakeholders, suppliers and service users, will increase the level of scrutiny of climate change actions, and public bodies will begin to exert positive influence over the behaviours of their stakeholders, suppliers and service users.
- Promote this climate change commitment to staff, service users, stakeholders, delivery partners and suppliers, e.g. by referring to it in other published material, website, displaying within the public body's premises etc.
- Integration of climate change within business planning, e.g. through policy appraisal, impact assessment, Strategic Environmental Assessment: building a process whereby the 'climate change question' and 'sustainability question' is routinely asked as part of the decision-making process around new and existing policies, plans and proposals, will ensure the impact of that decision on climate change is considered and public bodies are seeking to act sustainably.
- Partnership working with external bodies and interests: working cooperatively with other public bodies, e.g. bodies in the same geographic area, or bodies working in the same sector, will maximise efficiency and increase the impact of climate change action.

5. Climate Change Adaptation

The public sector has a crucial role to play in enabling Scotland to adapt to the impacts of climate change (e.g. increased risk of flooding, sea level rise and coastal erosion, water supply, heatwaves, etc.).

Taking a strong, proactive approach will ensure that vital public assets, infrastructure and services are able to continue delivering positive outcomes across society for both current and future generations.

The statutory climate change reporting requirements include a provision for public bodies to report on how they are contributing to national objectives for climate change adaptation and resilience as set out in the current five-yearly Scottish Climate Change Adaptation Programme (SCCAP).

The Programme, prepared by Scottish Government, responds to the priority risks for Scotland independently identified by the Climate Change Committee (CCC) in the evidence reports of the UK Climate Change Risk Assessment (UKCCRA) and covering a range of global warming scenarios. The CCC publishes the evidence reports for UKCCRA on a five-yearly basis and the most recent reports were published in June 2021. The response to these risks will form the basis of the next SCCAP, due for publication in 2024.

The Programme aims to prepare Scotland for the challenges that we will face as our climate continues to change in the decades ahead. It takes an outcomes-based approach, derived from both

the UN Sustainable Development Goals and Scotland's National Performance Framework. This cross-cutting approach promotes co-benefits, and integrates adaptation into wider public sector policy and service delivery.

The Programme sets out around 170 policies and proposals across Scotland, structured around seven high-level outcomes which are aligned to the National Performance Framework and UN Sustainable Development Goals and relate to the climate resilience of Scotland's people, communities, economy, infrastructure, natural environment (terrestrial and marine) and international connections. Such policies include Dynamic Coast which aims to improve the evidence base around coastal erosion and proposes plans for coastal change management in Scotland, and the Place Standard Tool, which aims to strengthen engagement among communities and stakeholders at the local level.

Action from Scotland's public bodies will be vital to achieving many of these outcomes and the annual reporting provides an opportunity for bodies to set out and showcase these contributions.

The Scottish Government's approach to adaptation is place-based, with strong roles for action at regional and local scales as well as the national. Action from public bodies, as well as businesses and communities, will be central to delivering such adaptation.

Scotland Adapts: a capability framework for a climate ready public sector

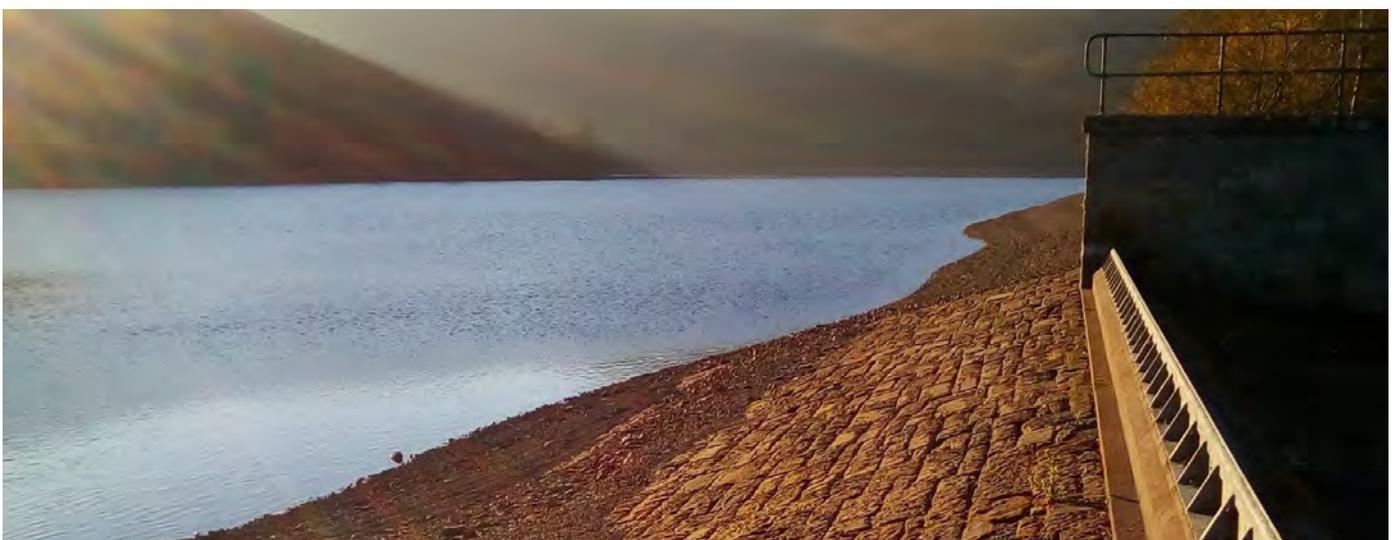
Resources to support public bodies on adaptation include the [Scotland Adapts Handbook](#) which provides an introduction to the topic aimed at Scotland's public sector.

The Handbooks shows how the [Adaptation Capability Framework](#) can be used by any public sector organisation to accelerate their action on adaptation. The Framework has been developed by [Adaptation Scotland](#), funded by Scottish Government, to promote a holistic approach to adaptation.

Based on local and international experience, this pioneering 'capability-maturity' approach draws on the characteristics of well-adapting organisations and identifies four capabilities that every public organisation will need to develop to adapt to climate change, and recommends tasks that support progress for organisations, providing step by step tasks to guide their adaptation journeys and recognising that organisations will have different starting levels of maturity, from those starting out on their adaptation journey to those leading the way. Adaptation Scotland provides advice and regular information sessions for public bodies to help them get started with using the framework.

For example, Aberdeen Adapts (jointly led by Aberdeen City Council and the University of Aberdeen) has developed its own Climate Change Adaptation Framework² for the city, supported by Adaptation Scotland and utilising the Adaptation Capability Framework.

As part of the annual reporting, respondents are encouraged to indicate whether they have made use of the Adaptation Capability Framework and if so to summarise what have been the key findings and identified next steps. Public bodies are also encouraged to provide feedback on the framework to support future learning.



Hopes Reservoir, East Lothian

2 <https://www.aberdeencity.gov.uk/sites/default/files/2020-11/AberdeenAdaptsClimateAdaptationFrameworktextversion.pdf>

6. Procurement

The Scottish public sector has a leadership role in responding to the climate emergency. The direction that organisations and procurement professionals can show in influencing emissions reductions is now at the forefront of government policy on the public sector and climate change. Policy highlights the role of procurement in creating a culture and ways of working that supports a circular economy and promotes strategic decisions on ‘whether’, ‘what’, ‘how’ and ‘how much’ organisations buy. Carbon will be a factor in future procurement activities of all public bodies to help achieve the national carbon reduction targets.

Public procurement law and policy already reflects environmental considerations principally through the [sustainable procurement duty](#) of the Procurement Reform (Scotland) Act 2014. It requires public bodies to consider and act on opportunities to achieve socio-economic and environmental benefits in

the course of their procurements. Public bodies are required to prepare an [Annual Procurement Report](#) to demonstrate alignment between procurement activity and the organisation’s Procurement Strategy, including compliance with the Sustainable Procurement Duty. Public bodies should engage with procurement colleagues and refer to their organisation’s Annual Procurement Report when preparing the Procurement section of their Climate Change Report, as there will likely be interdependencies between these reports.

Scottish Government are mobilising the significant annual public procurement spend and collaborating across the public sector on tools and guidance to support a green recovery and our wider climate and circular economy ambitions. Scottish Ministers also wrote to Chief Officers in the public sector with a specific call to action on supply chain emissions **Annex B**.

Scottish Government’s sustainable procurement tools

The Scottish Government’s sustainable procurement tools are available to all public bodies and include indicators and guidance to support Scottish public sector buyers to consider and act on climate change considerations.

The [Sustainable Public Procurement Prioritisation Tool](#) is designed to assist strategic planning and prioritisation of economic, environmental and social wellbeing considerations in public procurements to ensure an appropriate focus within organisational and category/commodity planning. All of this allows us to make best use of existing public procurement policy and law in Scotland and to identify opportunities to minimise negative environmental impacts through our procurement activity.

The Sustainability Test is a self-assessment tool designed to help buyers embed relevant and proportionate sustainability requirements consistently in the development of contracts and frameworks. It can be used in isolation or by reference to the results of prioritisation assessment, where undertaken. Life cycle impact mapping is located within the Sustainability Test.

The Climate Literacy for Procurers e-learning is intended to give procurers confidence to minimise risks and maximise opportunities associated with climate change.

The climate emergency is a very clear priority for tackling higher emission products and services with key areas of focus outlined in the Climate Change Plan update, including commitments to decarbonise the public sector fleet and heat. There continues to be significant investment in upskilling public procurers to be climate literate and to have an appreciation of how contracting activity can support net-zero aims for their organisation and Scotland as a whole. The role of procurement is well placed to use professional skills to capture and drive opportunities to contribute to climate change ambitions through procurement activity.

The [Public procurement: priorities 2021 to 2022](#) sets out the priorities, high level aims and delivery statements for all public procurement leaders.



University of Strathclyde, new National Manufacturing Institute Scotland, Renfrewshire, HLM Architects. The building will be carbon neutral in operation for energy, with an ambient heat loop from the Scottish Water waste water treatment works supplying waste heat amplified via a heat pump and a 400kW solar array on the roof and solar canopy over the car park supplying renewable electricity.

7. Greenhouse Gas Reporting

All public bodies must report on their corporate greenhouse gas emissions that result from their organisational activities and services.

Reporting should align with the [Greenhouse Gas Protocol](#) and can be completed through the standard Scottish Government reporting template. Detailed guidance on public bodies climate change reporting and supporting resources are available on the [SSN website](#).

Greenhouse gas reporting is based on the following principles:

Relevance – Ensure the GHG inventory appropriately reflects the GHG emissions of the organisation and serves the decision-making needs of users – both internal and external to the company.

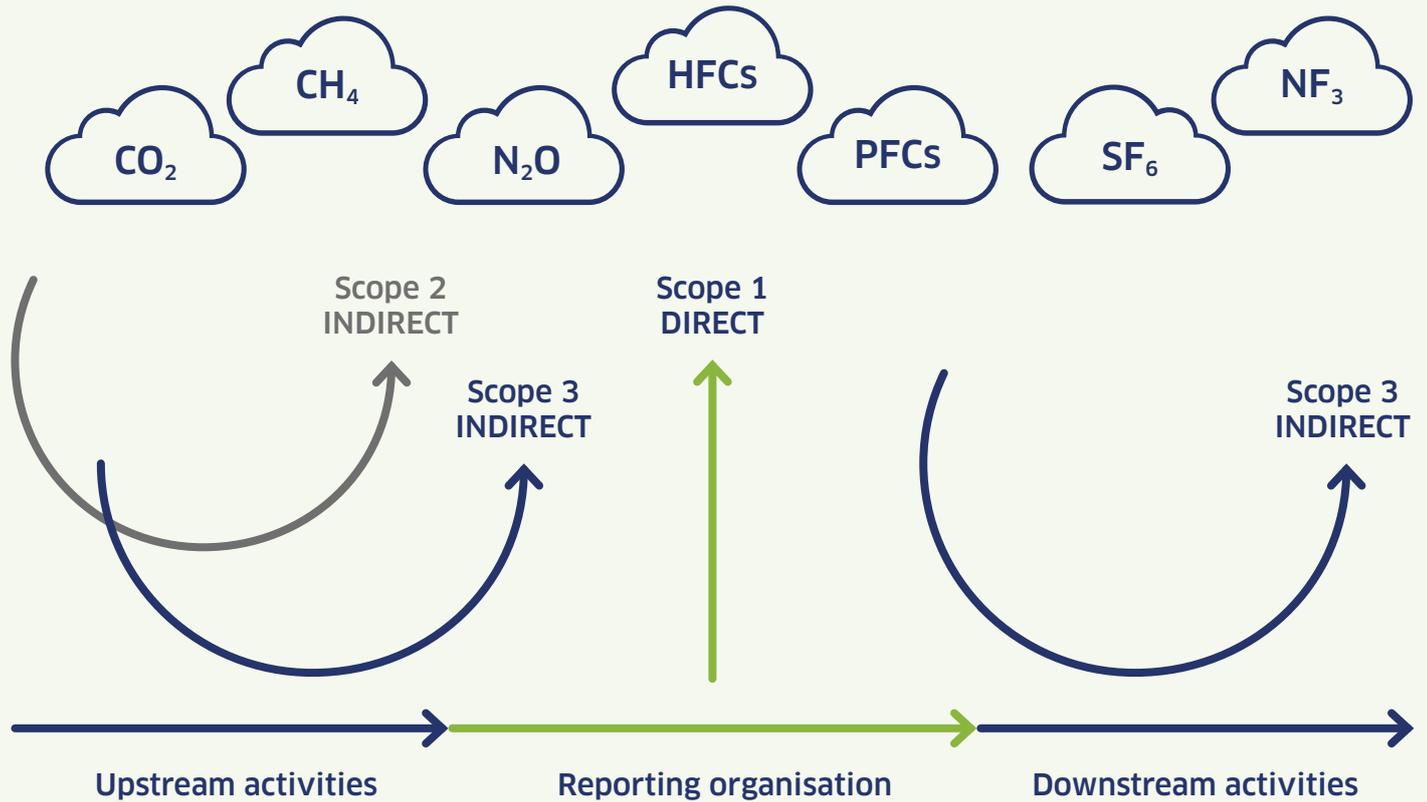
Completeness – Account for and report on all GHG emission sources and activities within the chosen inventory boundary. Disclose and justify any specific exclusions.

Consistency – Use consistent methodologies to allow for meaningful comparisons of emissions over time. Transparently document any changes to the data, inventory boundary, methods, or any other relevant factors in the time series. Where methodologies change, as more accurate data becomes available, this should be indicated.

Transparency – Address all relevant issues in a factual and coherent manner, based on a clear audit trail. Disclose any relevant assumptions and make appropriate references to the accounting and calculation methodologies and data sources used.

Accuracy – Ensure that the quantification of GHG emissions is systematically neither over nor under actual emissions, as far as can be judged, and that uncertainties are reduced as far as practicable. Where uncertainties do exist ensure that they are highlighted. Achieve sufficient accuracy to enable users to make decisions with reasonable assurance as to the integrity of the reported information.





Scope 2 - INDIRECT

 Purchased electricity, steam, heating and cooling for own use

Scope 3 - INDIRECT

-  Purchased goods and services
-  Capital goods
-  Fuel and energy related activities
-  Transportation and distribution
-  Waste generated in operations
-  Business travel
-  Employee commuting
-  Leased assets

Scope 1 - DIRECT

-  Company facilities
-  Company vehicles
-  Process emissions
-  Fugitive emissions

Scope 3 - INDIRECT

-  Transportation and distribution
-  Processing of sold products
-  Use of sold products
-  End-of-life treatment of sold products
-  Leased assets
-  Franchise
-  Investments

Figure 7.1 - Greenhouse gas scopes

To help delineate direct and indirect emission sources, three “scopes” (scope 1, scope 2, and scope 3) are defined for GHG accounting and reporting purposes, as shown in the figure 7.1 above.

Where relevant, the following emissions sources must be reported:

Category	Reporting Requirements	Emissions Source	Example
Scope 1	All scope 1 emissions must be reported.	• Stationary combustion	• Fuel use in buildings
		• Mobile combustion	• Fuel use in vehicles
		• Process emissions	• Water treatment processes
		• Fugitive emissions	• Leaks of refrigerant from cooling systems
Scope 2	All scope 2 emissions must be reported	• Purchased electricity, heat and steam	• Grid electricity use
Scope 3	All relevant and significant areas of the organisation's indirect emissions should be reported. Any categories <1% of overall emissions can be treated as de minimis		
Out of Scope	CO ₂ emissions attributed to the burning of biomass and other biofuel	Biomass or biofuels	Combustion of biomass in a boiler
Land Use & Land Use Change	Land use emissions are very important and land will play a key role in the transition to net zero. Public bodies are not currently required to report these but, where appropriate, land-based emissions should be considered and reporting considered.		

Scope 3 Reporting

Scope 3 covers all indirect emissions (aside from those accounted for under scope 2) from the value chain of an organisation and looks at both upstream and downstream activities. Full information on scope 3 reporting can be seen in the [GHG Protocol Corporate Value Chain Accounting Standard](#), and further guidance on how to calculate scope 3 emissions is provided in the SSN Net Zero Manual that supplements this guidance.

It is common for an organisation's scope 3 footprint to be significantly larger than its scope 1 and 2 footprints, therefore it is important to include scope 3 in reporting to better understand the organisation's overall climate impact. Scope 3 emissions are also likely to have significant uncertainty - however this should not be a barrier to reporting, as the poor

data maturity of some areas of scope 3 reporting can be included in reporting for transparency.

As scope 3 emissions are from the value chain, they are not considered under the direct control of the organisation, however many areas of scope 3 can be heavily influenced by the organisation through behaviour, supply chain engagement and decision-making.

There are many categories of scope 3 emissions, and they will not all be relevant for all organisations, therefore public bodies must review their reporting boundary and clearly understand which categories are relevant for them.

Over time public bodies will be expected to report on their scope 3 emissions as fully as possible.

The categories of emissions in scope 3 are summarised in the table below.

Upstream or Downstream	Scope 3 Category	Example	Example Calculation Methodology	Expected Data Maturity
Upstream	Purchased goods and services	Cradle to gate emissions of purchased goods and services	Estimated	Red
	Capital Goods	Cradle to gate emissions of capital goods	Estimated	Red/Amber
	Fuel & energy that's not scope 1 or 2	Transmission and distribution losses from electricity Cradle to gate emissions of purchased fuel (well to wheel)	Calculated by energy data	Green
	Upstream transportation and distribution	Transportation of products purchased	Estimated or provided by suppliers	Red/Amber/ Green
	Waste	Waste collection emissions, emissions from landfill	Provided by suppliers	Green
	Business travel	Air travel	Provided by travel suppliers	Green
	Employee commuting (and home working)	Employee commuting; home working (telecommuting)	Estimated - based on government data or employee surveys	Red/Amber
	Upstream leased assets	Student halls not owned by institution	Estimated or provided by supplier	Amber

Upstream or Downstream	Scope 3 Category	Example	Example Calculation Methodology	Expected Data Maturity
Downstream	Downstream transportation and distribution	Transportation of products sold (in vehicles not owned by organisation)	Estimated	Red
	Processing of sold products	Processing of intermediate products by downstream organisation	Estimated or provided by organisation	Red/Amber
	Use of sold products	End use of goods and services	Estimated	Red
	End of life of sold products	Waste disposal of products sold at their end of life	Estimated	Red
	Downstream leased assets	PFI	Estimated	Red
	Franchises	Operation of franchises e.g. international campuses for universities	Estimated or provided by franchise	Amber/Green
	Investments	Operation of investments	Estimated	Red

Data maturity varies for different categories of scope 3 and therefore different methodologies of emissions reporting are to be expected. These are outlined below and have been given a red/amber/green status so that the level of data maturity is transparent for each reporting category.

Data Maturity Rating	Explanation
Red	Data is estimated and has a large margin of error - e.g. based on industry norms/estimated factors
Amber	Data is estimated and has a moderate margin of error - e.g. based on spend data
Green	Data is measured/supplier specific and has a smaller or known margin of error

It is not appropriate to set reduction targets for reported emissions that are high level estimates e.g. red or in some cases amber. However action to reduce such emissions are still expected.

Over time, emissions data for categories that contribute the larger share of an organisation’s total emissions should mature e.g. by reducing uncertainty, moving from estimation to measurement, where possible.

Assurance and Verification

All greenhouse gas reporting data must meet the GHG protocol principles (Relevance, Completeness, Consistency, Transparency, Accuracy). Going through a formal assurance or verification process to ensure the organisation's processes and data satisfy these principles can have many benefits including:

- Increased credibility of publicly reported emissions information and progress towards GHG targets, leading to enhanced stakeholder trust.
- Increased senior management confidence in reported information on which to base investment and target setting decisions.
- Improvement of internal accounting and reporting practices (e.g. calculation, recording and internal reporting systems, and the application of GHG accounting and reporting principles), and facilitating learning and knowledge transfer within the organisation.

As a minimum, public bodies must have a formal internal assurance process signed off by a senior leader.

Public bodies may also wish to have some level of external assurance or verification which could be through:

- a formally appointed third party who provide verification services; or
- peer-to-peer review with other public bodies.

Corrective Actions & Recommendations

Verification and assurance may identify areas of non-compliance or improvement. These should be captured through a corrective action plan and any required changes implemented before completing the subsequent annual report.



Perth High School, Scottish Government Learning Estate Investment Programme

8. Target Setting

Public bodies are required to report targets on their operational/organisational emissions. These include reducing direct emissions, where possible, to absolute zero, and reducing indirect emissions, in advance of Scotland's 2045 net zero target.

High level organisational targets, such as a date for achieving zero direct operational emissions and targets for reducing indirect emissions, will depend on the individual circumstances of each public body, but the Scottish Government want public bodies to drive down emissions as close to zero as possible as quickly as possible. This includes addressing supply chain emissions.

The organisation's targets should be ambitious but achievable, with a realistic pathway to achieving the targets set out by the organisation.

Baseline emissions must be clearly defined and progress against this baseline tracked to monitor performance to the target. Where there is a change in reporting boundary or emissions calculation that is deemed significant then it may be appropriate to re-baseline.

Direct Emissions Targets:

Targets on direct emissions should address:

- ▶ All areas of direct emissions that can be reduced to absolute zero.
- ▶ Areas of direct emissions that cannot be reduced to absolute zero due to the nature of the emissions sources e.g. livestock, process emissions, should be covered by a net zero target instead.
- ▶ All direct emissions targets should have interim targets so that performance is transparent. The interim targets should be a reduction from a specified baseline year.

Indirect Emission Targets:

Indirect emissions targets must focus on emissions reductions. Net zero targets for indirect emissions may be set but the organisation must specify absolute emissions reduction target(s) as well. It may be more appropriate to have a range of targets covering specific categories of indirect emissions, instead of one overarching target.

In some cases reducing certain emissions may increase others in a corresponding category e.g. increased homeworking will reduce commuting but potentially increase seasonal off-site energy consumption from heating employees' homes, increasing homeworking emissions. Any emissions trade-offs should be recognised and fully considered in organisational planning and decision-making to ensure emissions reductions are optimised.

Indirect emissions targets must:

- have a clearly defined baseline year;
- be a reduction from this baseline year;
- be clear on the scope of which indirect emissions are included in the target; and
- cover any significant areas of indirect emissions that can be appropriately measured.³

Net Zero Targets

Many public bodies have published net zero targets that cover direct and some indirect emissions. Pathways for achieving absolute zero direct emissions and for reducing indirect emissions should be part of the organisations' wider net zero target. Any organisational net zero target must:

- be clear on what is in scope of the target;
- should cover all of the organisations' scope 1 & 2 emissions and appropriate areas of scope 3;
- have interim reduction targets at set periods that align to the Scottish Government interim targets years; and
- the use of natural sequestration or carbon offsetting to achieve net zero targets should be mapped out, and the 'residual emissions' that will be sequestered should be estimated as part of net zero planning. Residual emissions must be as small as possible and any assumptions and uncertainties clearly explained. More information on natural sequestration and offsetting are given in section 10.

Reporting progress

Absolute emissions reductions and progress towards the targets must be reported in the organisation's annual Public Bodies Duties report.

Climate change targets should also be included in public bodies' corporate plans and annual reports. To ensure leadership focus and continued visibility of, and operational commitment to, target delivery, emissions reduction should be considered as a board level KPI with a senior leader sponsor accountable for performance and reporting.

Targets not met

Where one or more interim targets are not met the organisation will be expected to produce a catch-up plan to ensure that performance gets back on track. The catch-up plan should include:

- a full review of the organisations' emissions;
- analysis of why the targets have been missed;
- corrective actions to address areas of underperformance;
- senior sponsor within the organisation who is accountable for delivery of actions; and
- learnings should be shared with other public bodies to help maintain strong performance across the sector.

³ Please see scope 3 section of Greenhouse Gas Reporting.

9. Reducing Emissions; Expectation and Best Practice

a. Buildings

Emissions from heating buildings and building electricity use are the largest reported aspects of public sector emissions.

Emissions from Scotland's public sector buildings (mainly the use of natural gas for heating) have been relatively flat

over the past few years at around 1.1 MtCO₂e annually between 2015 and 2019, following a fall of 0.6 MtCO₂e (35%) between 1990 and 2019.

Decarbonising public sector buildings rapidly will make a significant contribution to Scotland meeting its national climate change targets.

Policy position and Government commitments

The Scottish Government and Scottish Green Party [shared policy programme](#) published on 20 August 2021 commits to developing and agreeing through consultation a series of phased targets starting in 2024, with the most difficult buildings like hospitals being decarbonised by 2038, and for all publicly-owned buildings to meet zero emission heating requirements, with a backstop of 2038.

The [Programme for Government 2020 to 2021](#) committed at least £200 million in capital support over 5 years to aid decarbonisation of Scotland's public sector estate and to contribute towards wider climate change and net zero targets.

The Scottish Green Public Sector Estate Decarbonisation Scheme provides a number of support mechanisms for heat decarbonisation and improving energy efficiency across buildings owned by the public sector in Scotland. The Scheme will distribute the £200 million of capital support pledged over the next 5 year period to aid the decarbonisation of Scotland's public sector estates.

To ensure that new buildings are fit for the future and do not require retrofitting to achieve zero emissions, we are currently developing regulations that will require new buildings consented from 2024 to use zero emissions heating (and cooling) – both housing and non-domestic. In parallel, we are reviewing the energy efficiency standards set by building regulations to ensure that Scotland's future buildings are highly energy efficient, in line with our wider net zero ambitions.

The Scottish Government's voluntary [Net Zero Public Sector Buildings Standard](#) establishes current good practice for design and construction of new buildings.

Action

For larger public sector estates a whole estate assessment of costs and timescales to develop a pathway to meet net zero targets is needed. This should highlight options for integrating net-zero carbon and adaptation measures at an estate and individual building level, drawing on metering, Building Management System data/trends, any building conditions/energy surveys and knowledge and experience of colleagues and contractors concerning maintenance and operational issues.

It should include an assessment of the current and future heat and power demands and adopt a fabric first approach to reduce the heat demand across the estate with particular focus on the buildings with the highest heat demand and suitability for deep energy retrofitting. For older buildings or non-standard constructions this is less feasible, however, emerging standards acknowledge the challenges and constraints posed by working within the parameters of an existing build which has lower airtightness.

Public bodies' estates strategies must include their plans for decarbonising buildings.

The decarbonisation plan may consider:

- Improved energy efficiency in owned and rented estate, improved insulation and upgraded energy management systems.
- Replacing fossil fuel heating with low carbon or renewables e.g. biomass boilers, heat pumps, combined heat and power.
- Investigating scope for connection to local heat networks.

- Adopting net zero standards for new buildings and refurbishments, including a fabric first approach.
- Installation of onsite renewable energy generation – solar and wind power.
- Refurbishing and repurposing existing buildings.
- Co-locating with partner organisations.
- Carrying out building energy surveys to assess energy abatement potential

Targets

- Decarbonise estate by 2038 at the latest, with zero carbon direct emissions from all buildings.
- All new builds could be built to the [net zero building standard](#).

Spotlight

NHS Orkney Balfour Hospital is unique, operating as an all-electric acute services healthcare facility. Heating and hot water needs are provided by twin air source heat pumps with a high efficiency oil-fired boiler plant for emergency backup and to ease operational spikes. Other measures include an array of solar photovoltaic cells, low energy LED lighting and high frequency low loss fluorescent sources for clinical areas. Lighting control software manages demand according to occupancy levels. The building fabric and components all contribute to reduced energy demand due to insulation properties, high construction standards and thermal efficiencies.

i. Heat in buildings/stationary combustion - direct emissions scope 1

Direct emissions from buildings are from space and water heating, typically from gas boilers on the organisation's site. Emissions from heat/stationary combustion are classed as direct emissions, and therefore organisations must plan to reduce these to absolute zero as quickly as possible.

Energy sources are fossil fuels, biogenic fuels or renewable energy technologies, mainly micro-renewables suitable for typical public sector estate, such as wind turbines and heat pumps, but this will vary.

Policy position and Government commitments:

The strengthened Public Bodies Reporting Duties (2020) place a requirement for public bodies, where possible, to report a target date for achieving zero direct emissions, of which emissions from heat in buildings is the largest.

The Heat in Buildings Strategy, published on 7 October 2021, outlines a commitment to invest £1.8 billion in capital funding over the next five years for energy efficiency and zero carbon heating to make Scotland's buildings warmer, greener and more efficient. The Strategy updates both the Energy Efficient Scotland Route Map and the Heat Policy Statement and seeks evidence and views on proposed actions to meet our climate change targets, whilst maximising economic opportunities, ensuring a just transition and addressing fuel poverty.

To go alongside the Heat in Buildings Strategy, we will publish a **monitoring and evaluation framework**, setting out:

- a comprehensive framework for monitoring progress against the objectives set in this draft Strategy covering homes, workplaces, public sector buildings and other non-domestic buildings; and
- a range of output and outcome indicators, linked to our outcomes (Chapter 2), to inform an annual statement of progress, taking account of the Climate Change Plan monitoring framework, as well as the monitoring and evaluation requirements for fuel poverty within the Fuel Poverty (Targets, Definition and Strategy) Act 2019.

Action

The public sector must take a zero emissions-first approach with new or replacement heating systems.

ii. Electricity use in Buildings - Indirect emissions scope 2

Most of the electricity supply for buildings is provided by the UK national grid which has been progressively decarbonising since 1990. Emissions from electricity are indirect emissions and therefore public bodies must have a target to reduce these as much as possible, as quickly as possible, in line with Scotland's net zero commitments.

Policy position and Government commitments:

The Climate Change Plan sets a target of 2032 for Scotland's electricity system to be powered largely from renewable sources. As a minimum, public bodies must aim to reduce emissions from electricity consumption in accordance with national targets.

Public sector bodies can purchase electricity through [Scottish Procurement's National Framework Agreement](#). This offers a range of benefits, however, the purchase of optional Renewable Energy Guarantee of Origin (REGO) certificates through this or other third party contracts does not mean that emissions from electricity consumption can be assumed to be zero, as renewables contributed less than 30% of the UK grid supply in 2019. For the purposes of public sector emissions reporting REGO certificates cannot be used as a substitute for reducing electricity demand and consumption.

Public sector bodies may wish to report the procurement of REGO certificates in response to question 5b of their Public Bodies Climate Change Duty Report: 'How has procurement activity contributed to compliance with climate change duties?'

The only occasion where the UK grid emission factor does not apply for reporting and target setting purposes is where renewable electricity generation is on site or connected via direct wire.

Actions

Consumption reductions are achieved by reducing demand, e.g. through behaviour change interventions, by improving energy efficiency e.g. converting all lighting to LEDS, and by generating renewable electricity on-site.

Spotlight

[The Scottish Government Learning Estate Strategy](#) has seven guiding principles, one of which is that learning environments should be greener and more sustainable, contributing to Scotland's net zero greenhouse gas emissions commitment. Our energy efficiency target for schools replaced or upgraded through the £1 billion Learning Estate Investment Programme (LEIP) is highly ambitious at 67 kWh per square meter, per year. This target is not just ambitious on paper, we will be following up with local authorities to ensure that the targets are achieved in practice, once the schools are in use.

iii. Heat Networks – Indirect emissions scope 2

Heat networks are technically complex infrastructure projects requiring a range of specialist expertise. In order to drive projects forward, the Heat Networks Partnership is being re-established to help identify and nurture opportunities for new heat networks and to explore options for decarbonising existing fossil fuel powered networks.

Emissions from heat networks are indirect emissions and therefore public bodies must have a target to reduce these as quickly as possible in line with Scotland's net zero commitments.

Policy position and Government commitments:

Future regulations, enacted under [The Heat Networks \(Scotland\) Act 2021](#), will place a duty on public sector bodies to undertake a [Building Assessment Report](#) for buildings within their estate. Provisions will include:

- the potential for the non-domestic building to be supplied with thermal energy by means of a heat network; and
- the period for which any system providing thermal energy to the non-domestic building is expected to continue to operate effectively and efficiently.

Actions

Where possible public bodies should connect to heat networks and engage with local stakeholders to help support development of heat networks.

b. Transport

Transport is the biggest contributor to greenhouse gas emissions in Scotland, accounting for nearly 36% of national emissions in 2018. Cutting transport emissions is crucial to achieving Scotland's national climate change targets, by reducing vehicle journeys where they are non-essential, moving journeys to active travel or public transport, or changing the kind of vehicles we use.

For all types of transport a reduction first approach should be taken to minimise unnecessary journeys.

Policy position and Government commitments:

The 2019-20 Programme for Government included a commitment for the public sector to lead the way in decarbonising transport by committing to phase out petrol and diesel cars from the public sector fleet, and phase out the need for any new petrol and diesel light commercial vehicles by 2025. The Programme for Government also committed to creating conditions to phase out the need for all new petrol and diesel vehicles in Scotland's public sector fleet by 2030; whilst applying flexibility and pragmatism for front line, emergency service and specialist vehicles.

The National Transport Strategy Delivery Plan 2020-22 sets out the Scottish Government's commitment to working with the Scottish Future's Trust and Scottish Procurement to leverage commercial investment, in expanding zero emission vehicles and infrastructure at scale across the public sector.

The Committee on Climate Change (CCC) has also recommended that we reduce the demand for less sustainable transport modes and therefore, following the sustainable travel hierarchy, we will continue to promote active travel and a shift to more sustainable modes, while deprioritising single-occupancy car use.

Public Bodies should produce a Sustainable Travel Strategy that covers all aspects of travel across their organisation. It should outline steps to tackle behaviour change, and promote the adoption of the National Transport Strategy's Sustainable Travel Hierarchy.

i. Fleet - Direct scope 1

Fleet vehicles are those owned or leased by the organisation. Emissions from fleet are classed as direct emissions, and therefore organisations must plan to reduce these to absolute zero as quickly as possible.

Policy position and Government commitments:

Transport Scotland's Switched on Fleets programme is working with public bodies to assist delivery of the 2019-20 Programme for Government Fleet commitment, in-turn supporting the transition of the public sector to zero emission vehicles.

All public bodies with fleet must have a fleet decarbonisation plan as part of their fleet management.

This decarbonisation plan may consider:

- Can the fleet be consolidated/reduced?
- Can miles travelled/fuel used be reduced?
- How will the fleet vehicles be converted to zero tail pipe emissions vehicles?
- How many of the fleet vehicles have market available zero emission alternatives?
- Could any vehicle types that don't have market available zero emission options be replaced by a different vehicle type that has zero emission alternatives?

- Identify remaining fleet that does not have current market available zero emissions options, identify and record replacement timescales.
- Engage with Transport Scotland / other partners to see how trials or market engagement can be carried out to decarbonise fleet vehicles.

Other things to consider with regard to fleet decarbonisation:

- Vehicle utilisation and duty cycles
- Vehicle location overnight / when not in use
- Charging infrastructure requirements
- Vehicles ranges and chargepoint locations
- Asset replacement cycles
- Total Cost of Ownership modelling (ICE vs EV)
- Procurement methods such as lease versus purchase options

Fleet Targets

Set target date for zero tailpipe emissions from fleet (where possible). Have all new cars as zero emission by 2025, and all new light commercial vehicles as zero emission by 2025; replacing all larger new vehicles in the fleet with zero emission alternatives, no later than 2030.

ii. Business Travel - Indirect scope 3

Business travel is all travel required for business purposes that is taken on vehicles that are not owned or leased by the organisation. For example, use of private cars, trains or air travel.

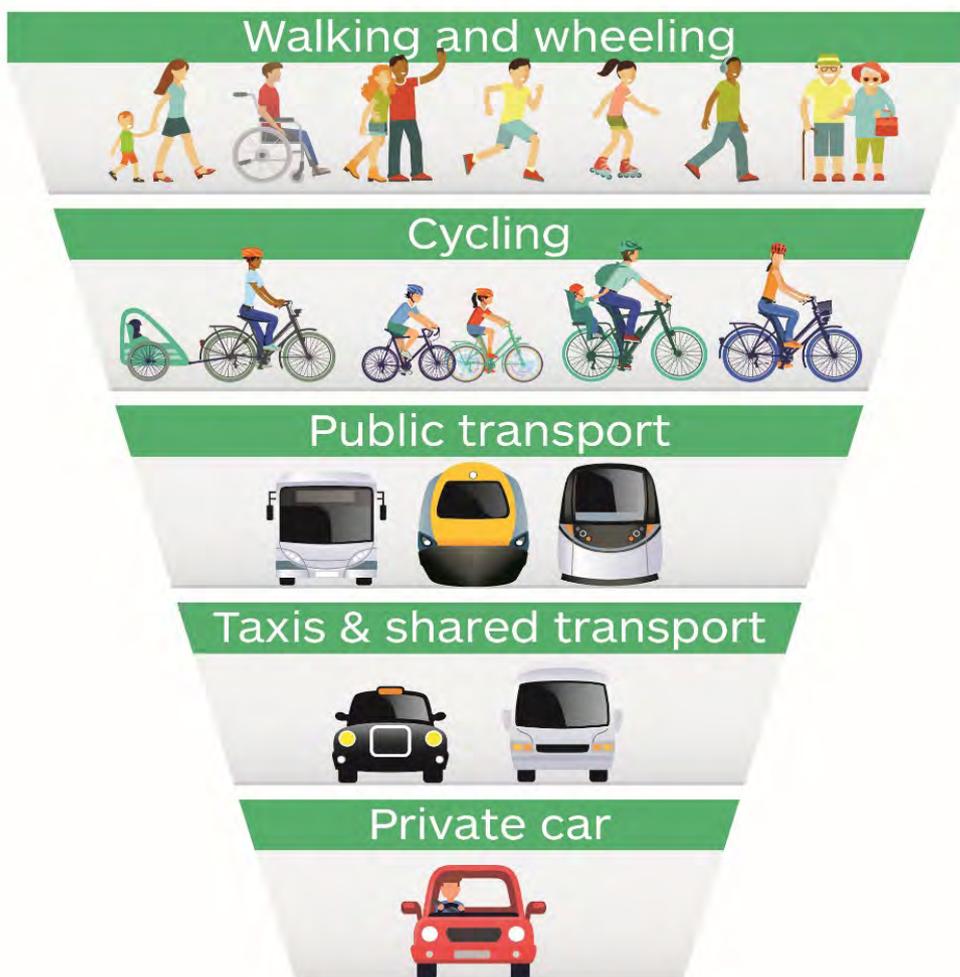
Emissions from business travel are indirect emissions and therefore public bodies must have a target to reduce these as quickly as possible in line with any transport mode dependant policies and in keeping with Scotland's net zero commitments.

Action

Organisations should first question if travel is necessary or if work could be done as effectively using remote solutions.

If travel is necessary then the sustainable travel hierarchy should be promoted, and staff encouraged to use more sustainable modes of transport:

Prioritising Sustainable Transport



National Transport Strategy 2020 – Sustainable Travel Hierarchy

Organisational policy over business travel should be strengthened to make public transport the default for all journeys unless it is demonstrated that there is a sufficient requirement to use a private/ rental car.

Air travel should be minimised wherever possible, and top-level senior management sign-off for flights could be introduced to disincentivise staff choosing to fly where other transport options, such as rail, are available. Mainland UK air travel should be eliminated. Where air travel is unavoidable, the passenger 'class' should be the most carbon efficient for the nature of journey, e.g. first class passenger air travel should be strongly discouraged.

Example Business Miles Targets

- Reduce business related travel emissions by 80% by 2030 (against 2018-19 baseline), with an interim target of 45% by 2025. The remaining carbon emissions will be offset.
- Ban all mainland domestic flights.
- Introduce organisational policy whereby Director level approval is required for all remaining air travel.

iii. Commuting - Indirect scope 3

Emissions from employee travel from home to their contracted base are commuting emissions. These are indirect emissions and therefore public bodies must have a target to reduce these as quickly as possible in line with Scotland's 2045 net zero target.

Commuting emissions can be difficult to measure, therefore estimated emissions from organisational or regional survey data is appropriate.

Action on Commuting:

Commuting emissions can be challenging to influence however public bodies should:

- Promote sustainable transport and ensure adequate facilities and policies that make active travel a viable option for staff.
- Promote public transport use, and where possible offer special rewards or perks for staff who commute sustainably e.g. lighter IT equipment that is easier to carry, season ticket loans, priority lockers/storage.
- Where high level of single use car travel is seen for commuting, survey staff to understand the blockers to alternative travel types and then address these areas of concern.
- Consider charging for single occupancy internal combustion engine cars on any onsite parking facilities.
- Set up staff networks that promote greener travel.

Example Commuting Targets:

- Improve cycling infrastructure for our staff and visitors to increase the number of sustainable journeys made.
- Increase levels of homeworking.

iv. Homeworking (telecommuting) Indirect scope 3

Emissions from homeworking are classified as telecommuting, these are indirect emissions and should be reduced where possible, however it is recognised that homework emissions may be one area of emissions to increase as other areas, such as commuting, decrease. Overall emissions across interlinked categories should reduce.

Policy position and Government commitments:

Scottish Government are adopting a hybrid working system for staff that promotes a flexible approach to allow a balance of homeworking and office working so long as business need is met.

Action on Homeworking:

If homeworking is allowed at scale within an organisation and seen as a way to reduce emissions then homework emissions must be accounted for. SSN have further guidance on how homeworking emissions can be estimated.

Behaviour change initiatives and campaigns can be used to engage employees on how to minimise the impacts of working from home.

c) Other Direct Emissions

This section covers other areas of direct emissions that are not covered in buildings or transport. These emissions will not be relevant for all public bodies however should be considered when setting the organisational boundary to ensure they are included where relevant.

i. Process Emissions

These are emissions from physical, chemical or biological processes that are part of the organisation’s operation such as water and waste water treatment processes.

Process emissions may not be able to be reduced to absolute zero by 2045 however they should be reduced wherever possible by considering:

- Any process improvements or changes to the existing assets and their operation that may result in lower emissions.

- If any form of carbon capture could be used with the process to prevent the emissions being released to atmosphere.
- If any alternative process could be undertaken that is lower/zero emissions.
- Research innovations that will reduce emissions.

Any residual process emissions should be considered for offsetting or natural sequestration to allow the public body to achieve a net zero position for overall direct emissions.

ii. Fugitive Emissions

These are intentional and unintentional releases such as equipment leaks from joints, seals, packing, gaskets, as well as refrigerant emissions.

Any fugitive emissions that can be reduced to absolute zero must be, however some areas of fugitive emissions may not be able to be reduced to absolute zero by 2045 however they should be reduced wherever possible by considering:

- Where possible any source of fugitive emissions should be replaced with an alternative lower/zero carbon option.
- Equipment must be maintained to manufacturers standards to prevent unnecessary leakage.
- Any best practice to reduce specific fugitive emissions must be taken.
- Research innovations that will reduce emissions.

Any residual fugitive emissions should be considered for offsetting or natural sequestration to allow the public body to achieve a net zero position for overall direct emissions.

d) Other Indirect Emissions

This section covers other areas of indirect emissions that are not covered in buildings or transport. Some of these emissions may not have been previously reported by public bodies, however action to reduce emissions is encouraged across all areas even if it is not necessarily quantified.

By beginning to report more areas of indirect emissions public bodies may identify new carbon hotspots they were previously unaware of. If carbon hotspots are identified then if possible the data quality should be improved e.g. moving from an estimate to a measurement. Action plans for these areas of indirect emissions should be developed and aligned with wider policy, for example sustainable procurement.

In general good carbon management principles should be followed in all areas, these include:

- Can resource use be eliminated?
- Can it be made more efficient?
- Can alternative lower carbon options be used instead?

Organisations should consider carbon across their value chain and use their influence with value chain members to reduce emissions.

i. Circular Economy & waste – Indirect scope 3

Scotland's emissions from waste and resources are 1.9 megatonnes per year; the sector aim is to reduce these to 0.8 megatonnes by 2030. Achieving sector milestones will require meeting ambitious waste reduction and recycling targets, including: ending landfilling of biodegradable municipal waste and significantly reducing food waste; accelerating efforts to address legacy emissions from closed landfill sites; and ensuring a more rapid transition to a fully circular economy in Scotland.

In our existing economy, we “take, make and dispose”. We take resources from the ground, air and water; we make them into products and structures; then we dispose of them. We need to move to a circular economy where we **reduce** the demand for raw material in products; encourage **reuse** and **repairs** through responsible production; and **recycle** waste and energy to maximise the value of any waste that is generated.

Policy position and Government commitments:

We aim to make Scotland a zero waste society with a circular economy. This means minimising the population's demand on primary resources and maximising the reuse, recycling and recovery of resources, rather than treating them as waste.

We have ambitious targets for reducing waste and increasing recycling by 2025.

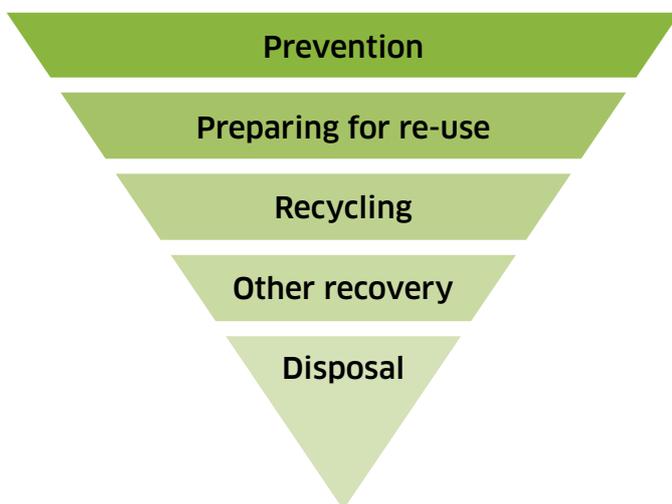
Actions

Procure goods and services that support the circular economy and have clearly defined routes to reusing or recycling.

Public bodies may find it helpful to have a waste management plan, outlining targets and actions to reduce waste produced and to increase recycling rates while diverting waste from landfill.

Waste is an important area to focus on as it touches almost everyone who works at public sector sites. Public sector staff and visitors will interact with some sort of waste during the day and throw something in a bin. The work attributed to waste reduction will play a vital role in the environmental behaviour change programs within the public sector.

Public bodies must follow the waste hierarchy in their approach to waste management.



Example Targets

- Send no waste to landfill by 2030.
- Recycle or compost 70% of waste by 2025.

ii. Water - Indirect scope 3

The carbon attributed to water is sometimes very small (e.g. at under 1% for Scottish Government estate), but collectively across the public sector this can represent a significant amount of water and emissions. Reducing water use has dual benefits - it conserves a vital natural resource (critical for climate change adaptation) and it contributes to reduced emissions. Additionally, the way we use water, for example in heating can be many times more carbon intense than the emissions embodied within the water itself. It is therefore important that we use the resource wisely, conserve water (especially heated water) and use water efficient fittings in all our buildings. Monitoring and targeting should be used to identify high water use and potential leaks. Public bodies may also have opportunities to support water efficiency in the discharge of their duties, for example in planning.

iii. Supply Chain & Capital Goods - Indirect scope 3

Most public bodies have not previously reported supply chain or capital emissions. Data and reporting in this area is not as mature as in other areas of emissions and it may take public bodies time to set up appropriate processes to allow for reporting in these areas.

Greenhouse gas reporting in these areas may be based on estimates, not actual measurement. While this means quantitative targets may not be able to be set, this will still allow organisations to identify potential hotspot areas and then prioritise actions against these areas.

Key carbon hotspots linked to procurement spend can be fed into the Procurement Prioritisation Tool, to help assist early stage strategic planning, and bring a standard, structured approach to the assessment of spend categories. For capital projects considering carbon in the design, procurement and construction of the project can see significant carbon reductions.

10. Dealing with Unavoidable Emissions

Public bodies are required to do all they can to reduce emissions as much as possible, and absolute carbon reduction must be achieved. However there will be some residual emissions remaining and therefore some organisations will need to invest in carbon removals or offsets to meet net zero, adapt to a changing climate and enhance the state of nature.

- Insets are activities within the organisations operational boundary, such as enhancing the carbon sequestration of their own land holdings, or by agreement, on public land.
- Offsets are externally verified and purchased/sold on a market.

For the purpose of this section insets/offsets will be referred to as offsets.

There are 2 main types of offsetting mechanism:

- Emissions reduction – invest in reducing an existing emissions source e.g. some peatland restoration.
- Emissions removal – investing in projects that will removal carbon emissions from atmosphere e.g. tree planting.

Both should result in multiple benefits for mitigation, adaptation and state of nature.

In general, removal offsets are the type considered compatible with the 1.5 degree Paris ambition and Scotland's net zero 2045 target, while reductions offsets may not be compatible with this as they still allow for emissions. However there can be a role for reduction type offsets for organisations own, earlier, net zero targets, to help increase the pace of decarbonisation and other

societal challenges including adapting to a changing climate and reducing risks to removal projects

Any carbon offset must demonstrate consideration by public bodies of:

- Permanence – whether the GHG removal can be reversed, e.g. a forest fire, and what mitigation is in place for this.
- Leakage – any increased emissions that occur elsewhere from the offset e.g. construction emissions.
- Additionality – the project would not have been carried out if not to achieve the carbon offset.
- Verification – the carbon removed/avoided must be quantifiable and be able to be verified.
- Co-benefits – the wider benefits of the project.

Public bodies should also consider if the purchase of offsets is the best use of public funds.

For any offsetting that is carried out on emissions that are within Scotland's territorial boundary natural sequestration projects within Scotland should be prioritised.

Nature-based solutions to climate change can provide many co-benefits, from mitigation and adaption benefits to biodiversity and enhancement – addressing aspects of the dual crises of climate and biodiversity that the world is facing.

Any offsetting/natural sequestration should follow well established principles in the market, for example those outlined in [The Oxford Principles for Net Zero Aligned Carbon Offsetting](#), which have been set to ensure that any offsetting is compatible with transitioning to a net zero society.

1. Prioritise reducing your own emissions first, ensure the environmental integrity of any offsets used, and disclose how offsets are used.
2. Shift offsetting towards carbon removal, where offsets directly remove carbon from the atmosphere.
3. Shift offsetting towards long-lived storage, which removes carbon from the atmosphere permanently or almost permanently.
4. Support for the development of a market for net zero aligned offsets.

Accounting for Offsets or Insets

The accounting for offsetting/insetting is likely to evolve over the coming years and as more international and national guidance is developed.

Offset Credits

For an organisation to show they have met a net zero target they must still complete their GHG report showing total emissions. They must be able to demonstrate that any direct emissions they are offsetting are unavoidable, and all direct emissions that can be reduced to absolute zero have been.

Offset credits can then be shown in the annual GHG accounts. It must be recorded separately to the organisation's emissions. If using UK based credits then verified carbon units must be used. The offset credits that are being used within that years GHG accounting must be 'retired' so that they cannot be used again.

The net balance of emissions and offsets should then be shown to equal zero, allowing a net zero claim to be made.



Photo © Scottish Forestry

Insetting

Carbon insets are treated as carbon sinks within the operational boundary of an organisation. These should be reported within the GHG reporting of the organisation under land use emissions reporting.

If carbon removals are reported then all land use emissions must be included within the organisations operational boundary and reported annually.

The GHG protocol is developing clear guidance on accounting for removals, due to be published by the end of 2022. Their [current guidance](#) is available online.

Policy/Scottish Government position on Offsetting and Natural Sequestration

Scottish Government position on offsetting and investment in natural assets (As of March 2020)

- Increasing investment in Scotland's **natural capital is vital to achieving Scotland's ambitious climate change targets**, and expanded natural carbon sinks (e.g. planted trees) play a significant role in the CCC's pathway for Scotland to reach net-zero by 2045.
- The Scottish Government intends to meet its ambitious, legislated climate targets through domestic action alone, without needing to purchase climate effort from other countries, and this default position is legislated for in Scotland's Climate Act.
- The Scottish Government sees **offsetting as an important means of mobilising private investment into projects**. However, **offsetting is not a replacement for emissions reductions**, and should always be purchased **in addition to** action to reduce emissions as close to zero as possible at the time of purchase, and as part of targets and transition plans aligned with the Paris Agreement.
- Scottish Government will continue to improve its policies and actions across the board, in order to leverage private investment into Scotland's natural capital and into nature-based climate solutions.

Offsetting Projects on Scottish Government or Agencies' Land

- The Scottish Government and its agencies will seek to increase the availability of verified offset available to purchase in Scotland, by responsible purchasers in order to deliver additional forestry and peatland restoration, that accelerates Scotland progress towards the net zero targets.
- Any offset projects on publicly owned land, available for sale in Scotland should continue to be verified **to the highest available standard**: currently the Woodland Carbon Code and Peatland Code, or any future standard of equivalent or higher environmental credibility.
- Scottish Government or agency offsetting agreements will be prioritised towards companies or organisations where there is clear evidence that they are already taking extensive and far-reaching action to reduce emissions, such as putting in place a transition plan aligned with the Paris Agreement, but wish to go beyond what is currently expected of them.

Natural Sequestration Projects on Public Sector Land

If public bodies own land that is suitable for investment to improve carbon sequestration rates, then they may wish to develop their own natural sequestration projects.

They may use the sequestration achieved to net off any residual emissions, or potentially use land to support Scotland's wider decarbonisation goals.

The following key principles were framed by *Connecting Nature* – a project funded through EU Horizon 2020. They provide a useful introduction to identifying and developing natural sequestration solutions:

- Does it use nature/natural processes?
- Does it provide/improve social benefits?
- Does it provide/improve economic benefits?
- Does it provide/improve environmental benefits?
- Does it have a net-benefit on biodiversity?

Any natural sequestration projects developed on public sector land should consider the above questions.

Natural sequestration projects should use the best available quantification methods such as the Woodland Carbon Code. For habitat types that do not currently have a code then the most up to date and comprehensive data should be used. Further codes are in development for certain habitat types and once developed these should be used. In 2021 [the Environment Agency published a detailed report](#) in the offsetting opportunities in the UK that provides information on sequestration of a wide range of habitat types, beyond those currently covered by codes. If the organisation intends to create offset credits to trade then a formal code e.g. Woodland Carbon Code must be used.

This is a new and developing area that is being pioneered by leaders in the public sector with Scottish Government support. As this develops supporting information and guidance will be published. Scottish Government is currently leading partnership initiatives which aim to significantly increase the level of private investment in nature-based solutions, such as peatland restoration.

Any public body that is developing natural sequestration projects on their land should keep Scottish Government informed.

Voluntary/International Offsetting Markets

For any emissions within Scotland it is strongly recommended to offset with Scottish natural sequestration projects to support Scotland's territorial 2045 net zero target. It is recommended that international offsets should only be considered for emissions that are not included within the net zero 2045 target e.g. international flights.

Public bodies are still required to reduce emissions as much as possible before considering offsets.

If the organisation chooses to offset emissions that are emitted outside of Scotland's territorial boundary then they must ensure these are of high quality and are fully verified to a respected standard, such as the [Gold Standard](#).

International offsets must also meet the following:

- Reducing emissions must always be the priority before considering offsetting as part of a net-zero strategy.
- Institutions should establish robust principles to justify which emissions can and cannot be offset.
- Offset schemes must be carefully assessed and should align with the Sustainable Development Goals and be fully verified e.g. Gold Standard.
- Prioritise carbon removal offsets over emission reduction offsets.
- Offsets must have wider benefits beyond carbon, such as social and biodiversity-related impacts.

11. Interpretation of Legislation

In line with the Committee on Climate Change advice, we need to establish zero direct emissions from the estate and operations of the public sector as the norm.

Direct emissions are from sources owned or controlled by the public body and for which the public body is responsible, principally the combustion of fuel on the public body's premises and in its owned vehicles. Direct emissions are defined in the Greenhouse Gas Protocol as scope 1. Some areas of direct emissions cannot be reduced to absolute zero: these should be identified by the public bodies in their net zero planning, and reduced as much as possible.

In the light of responses to the 2019 consultation and soundings taken by the Scottish Government, the wording of the 2020 Order - "or such other targets" - offers some flexibility for example to permit where:

- (a) a public body wishes to use a science-based methodology to set targets in line with Scotland's national targets and the Paris Agreement, or to produce a "beyond zero" or "beyond net zero" plan;
- (b) a public body may have unavoidable operational emissions from specialist activities or processes so a "net zero" target involving some form of counterbalancing for direct emissions is the best that can be achieved;
- (c) a public body may not be able to provide a target date for zero direct emissions and may set a target date for achieving as close to zero direct emissions as possible;
- (d) exceptionally, the most effective use of limited resources by a public body might at times be in wider influencing of reduced emissions rather than achieving small-scale reductions in its own direct emissions.

Annex A

Ministerial letter on Global Climate Emergency

Cabinet Secretary for Environment, Climate Change and Land Reform
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Council Leaders and Chief Executives

Chairs and Chief Executives of Public Bodies

University and College Chairs and Principals

Regional Transport Partnerships Chairs and Leads

February/March 2021

Public Sector Leadership on the Global Climate Emergency: Climate change reporting duties

As recognised by the First Minister, COSLA and local authorities, and public bodies across Scotland, there is a global climate emergency, and this emergency has not gone away. Despite the unprecedented challenge of COVID-19, Scotland remains committed to ending our contribution to climate change within a generation. This year the world is looking to Scotland's leadership on climate action as Glasgow hosts the COP 26 climate summit in November marking the most important moment of the international climate challenge since the Paris Agreement in 2015.

Scotland has set one of the most robust legislative frameworks for emissions reduction in the world, with a commitment to a just transition where no one is left behind. We are committed to a green recovery from COVID-19 in which we capture the opportunities of green jobs, business growth, prosperity and wellbeing. Our updated Climate Change Plan, published in December, sets out the bold actions that chart our pathway to a green recovery and includes more than 100 new policies and increased ambition for more than 40 others.

COVID-19 continues to profoundly impact all of us, and Scottish Ministers are deeply grateful to the public sector for your huge efforts in safeguarding our communities, protecting our National Health Service and saving lives. We also need to continue to work together to safeguard our planet's future, so I am writing to secure your continued leadership and support in the shared national endeavour to deliver a just transition to a 75% emissions reduction by 2030 and Scotland's world-leading goal of net zero emissions by 2045.

Since 2009, Scotland's public bodies have been legally required to act in the way best calculated to contribute to the delivery of our emissions reduction targets and you can be proud of the leadership role you have played in helping achieve a 50% cut in national greenhouse gas emissions. Public bodies are the frontline of our climate emergency response, with many already going well beyond their legislative duties to drive action and influence change across society. Public bodies are also central to Scotland's preparedness for the challenges that we will face as our climate continues to change.

The Scottish Ministers are committed to working closely with our partners in COSLA, local government and the wider public sector, to support leadership on climate change. Our Programme for Government 2020-2021 has committed to at least £200 million⁴ over the next Parliament to support the decarbonisation of the public sector estate, and commits to action on the climate impact of the £13.3 billion⁵ of annual public procurement. Transport Scotland's Switched on Fleets scheme has been supporting the decarbonisation of public sector vehicle fleets.

Following consultation in 2019, we have already delivered our Programme for Government commitment to strengthen our legislative framework through new regulations laid in Parliament which will support public bodies' leadership role. The consultation showed strong support for public sector bodies being required to set targets for when they will achieve zero direct emissions, and for reduced indirect emissions. The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Amendment Order 2020 sets out that public bodies will be required to provide in their annual reports:

- where applicable, the body's target date for achieving zero direct emissions of greenhouse gases, or such other targets that demonstrate how the body is contributing to Scotland achieving its emissions reduction targets;
- where applicable, targets for reducing indirect emissions of greenhouse gases;
- how the body will align its spending plans and use of resources to contribute to reducing emissions and delivering its emissions reduction targets;
- how the body will publish, or otherwise make available, its progress to achieving its emissions reduction targets; and
- where applicable, what contribution the body has made to helping deliver Scotland's Climate Change Adaptation Programme.

The new requirements apply from the report year ending on 31 March 2022 onwards. Further detailed guidance will be issued by the Scottish Government by April 2021.

As Scotland emerges from COVID-19, we have a chance to build a greener, fairer and more equal society and economy. A green recovery will deliver economic, social and environmental wellbeing and respond to the twin challenges of climate change and biodiversity loss. I am grateful for your continued strong leadership and support in the national endeavour to tackle the global climate emergency.

Roseanna Cunningham

⁴ £95 million at time of issue of letter was increased to £200 million in October 2021.

⁵ £12.6 billion at time of issue of letter and estimated at £13.3 billion in October 2021.

Annex B

Ministerial letter Call to Action on Supply Chain Emissions

Minister for Trade, Innovation and Public Finance

Ivan McKee MSP

Cabinet Secretary for Environment, Climate Change and Land Reform

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16 March 2021

To Chief Officers in the Public Sector

Global Climate Emergency – Call to Action on Supply Chain Emissions

As recognised by the First Minister, COSLA, local authorities and public bodies across Scotland, there is a global climate emergency, and this emergency has not gone away.

While COVID-19 has rightly been the focus of governments across the world, we remain absolutely committed to ending our contribution to climate change by 2045. The pandemic has shown us how abrupt and unplanned shifts can exacerbate inequalities prevalent in our society. We need a green recovery which promotes inclusive growth, creates opportunities for all, and supports and accelerates a just transition towards a net-zero economy.

Our public sector has played a key leadership role in a 50% cut in Scotland's greenhouse gas emissions – for example the NHS in Scotland has cut buildings' emissions by 62% since 1990 and other public bodies have achieved headline emissions cuts of 40-50% or more. We are writing to thank you for your efforts so far, and to seek your continued leadership and support in this national endeavor through strong action you can take in relation to the £13.3 billion⁶ public sector supply chain.

Since 2011, public bodies have been under a legal duty to contribute to the delivery of Scotland's national emissions reduction targets and the importance of procurement activity by public bodies has been enshrined in Scotland's climate law. Consultation in 2019 saw strong support for public bodies being required to set targets for reducing indirect emissions.

⁶ £12.6 billion at time of issue of letter and estimated at £13.3 billion in October 2021.

54 Public Sector Leadership on the Global Climate Emergency

In response, we have strengthened our legislative framework through new regulations, which came into force on 9 November, requiring public bodies to report on, where applicable, “targets for reducing indirect emissions of greenhouse gases” and to report how they align spending and use of resources with emissions reduction effort.

On 16 December, the Scottish Government published its Climate Change Plan Update to support Scotland’s green recovery and help deliver a just transition to net zero greenhouse gas emissions by 2045.

Public procurement efforts to address the Climate Emergency are being progressed by the cross-sector Climate and Procurement Forum. The Forum has been central to recent publication of a policy note [SPPN 1/2021](#) on taking account of climate and circular economy considerations in public procurement, and in developing, testing and launching Climate Literacy eLearning.

Procurement officials already drive and influence climate outcomes through contracts and supply chains, however a whole organisation approach is required locally to gain stronger traction. Working with climate and procurement leaders from across the public sector in Scotland we have developed key messages to inform and advance public bodies’ approach to tackling the global climate emergency through procurement. These are attached (Appendix B) and we hope they will be helpful in cementing this message and achieving our mutual aims.

Ivan McKee

Roseanna Cunningham

Appendix A

We encourage senior leaders and budget holders to:

1. Take action on their shared accountability to engage procurement early in the planning and development stages of projects and to make and enable decisions on whether you buy; what you buy; how you buy and how much you buy.
2. Ensure corporate commitments are aligned to Scotland's climate change public bodies duties and the Programme for Government commitments ([2019-20](#) and [2020-21](#)), including transitioning your organisation to lower emission solutions and facilitating procurement action. This includes, for example, transitioning to ultra-low emission fleets, renewable energy and heat; and low carbon buildings and materials.
3. Create a culture and ways of working that support a circular economy, taking what we appreciate are difficult decisions on how much your organisation buys and consumes.
4. Reflect your commitment to climate and circular economy obligations in your annual procurement strategy; and report progress against these commitments in your annual procurement reports, demonstrating how you are using your procurement spend to support your organisation's response to the global climate emergency.

How you can impact what, how and how much you buy?

Whether you buy: Service areas should be encouraged to revisit and re-think need. This may result in an overhaul in requirements, or more minor re-thinks. Perhaps existing goods, works and services are good enough, can be used for longer or can be reused, refurbished or repaired.

What you buy: Specifications must consider our climate ambitions, ensuring early engagement with procurement colleagues and other relevant stakeholder to provide the best chance of maximising the contribution that procurement can make. Perhaps you can buy refurbished, repaired or pre-used, rather than new. Solutions should be future-proofed to allow for refurbishment, remanufacture and repair, as well as emerging technology.

How you buy: Budget holders must understand and actively support a strong focus on climate considerations within procurements, helping to achieve a balance of economic, social and environmental outcomes in procurement decisions. Additional focus must be placed upon whole life costing.

How much you buy: There may be an opportunity to review your corporate appetite, governance and influence to support climate and circular economy outcomes, including through improved demand management. For example, introducing targeted spend controls or restricting choices through contracts.

As Scotland emerges from COVID-19, we have a chance to build a greener, fairer and more equal society and economy. A green recovery will deliver economic, social and environmental wellbeing and respond to the twin challenges of climate change and biodiversity loss. We are grateful for your continued strong leadership and support in the national endeavor to tackle the global climate emergency.

Appendix B

THE GLOBAL CLIMATE EMERGENCY AND PUBLIC SECTOR SUPPLY CHAIN

Social and Moral Imperatives

In April 2019, Scotland's First Minister declared a Global Climate Emergency. COSLA has also recognised the twin climate and biodiversity crisis.

Average global temperature has already risen by 1° Celsius since the pre-industrial era and we expect further increases will be linked to serious adverse effects including accelerating sea level rise and extreme weather events, at a pace which does not allow for adequate adaptations within ecosystems or human societies.

The consequences of doing nothing will be catastrophic for all and will have the greatest impact on the most disadvantaged. Publicly funded bodies have already recognised that they must take accountability and respond appropriately, ensuring that action is fair and equitable, taking account of existing social vulnerabilities.

While the public sector cannot deliver a response to the global climate emergency alone, we must continue to lead by example through our responsibility to act as enablers.

The Scottish Government's [National Performance Framework](#) consists of 'National Outcomes' which reflect Scotland's values and aspirations and is aligned to the 17 United Nations, [Sustainable Development Goals](#).

Based on the National Performance Framework, [the Sustainable Procurement Tools](#) link intended outcomes to sustainable outcome delivery across a range of related considerations, including climate, waste, biodiversity, communities, equality and fair work.

The Scottish Government is committed to leveraging our £13.3 billion⁷ in public procurement spend to contribute towards the transition to a more resource efficient, lower zero carbon economy, as reflected in the Programme for Government and through world leading climate change legislation.

Economic Imperative

80% of Scotland's carbon footprint is associated with materials produced, consumed and frequently wasted. It is vital that organisations adapt to become more sustainable, mobilising procurement and grant spending in a way that supports the global climate emergency response.

Senior leaders are setting the tone for their organisations. To enable traction and make the best use of our scarce resources, they need to ensure that their teams are working collaboratively across traditional functional and professional boundaries to align climate-related policies, targets, milestones and supporting activities.

⁷ £12.6 billion at time of issue of letter and estimated at £13.3 billion in October 2021.

To boost a green recovery and our longer term climate ambitions, senior leaders need to use their organisation's influence to stimulate action in public sector supply chains. Where they decide to buy goods, services or works, they need to champion innovative, future-proofed solutions; enable Scottish businesses and the Third Sector to engage in supporting our climate ambitions; and work with the market to stimulate the development of new and emerging circular economy and low emission supply chains and solutions.

And this focus needs to extend beyond procurement activities and in to the wider policy initiatives that they lead or fund through other means.

New ways of working must continually be pursued.

Legal Imperative

The [Climate Change \(Scotland\) Act 2009](#) increases focus on the emissions resulting from publically funded bodies' operational, policy and service delivery decisions.

The [Climate Change \(Emissions Reduction Targets\) \(Scotland\) Act 2019](#), which amends the Climate Change (Scotland) 2009 Act, commits Scotland to achieve a target of net zero emissions by 2045, with interim emission reduction targets of 75% by 2030 and 90% by 2040 respectively.

Procurement professionals have a responsibility to understand the climate emergency agenda; to be climate/ carbon literate; and to have an appreciation of how contracting activity can support net-zero aspirations throughout the contract lifecycle, using the national tools and support available and maximising engagement with supply chains.

Under the [Climate Change \(Duties of Public Bodies: Reporting Requirements\) \(Scotland\) Order 2015](#), those publically funded bodies listed in [Schedule 1](#) are required to report annually to Scottish Ministers on how their procurement policies and activities contribute to compliance with climate change duties.

[The Climate Change \(Duties of Public Bodies: Reporting Requirements\) \(Scotland\) Amendment Order 2020](#) strengthens the requirements of the 2015 Order by requiring publically funded bodies to report on, where applicable, the body's target date for achieving zero direct emissions of greenhouse gases or such other targets that demonstrate how the body is contributing to Scotland achieving its emissions reduction targets, and, where applicable, targets for reducing indirect emissions of greenhouse in their annual 'climate' reports. In addition, publically funded bodies are now asked to report on how they align their spending plans and use of resources to contribute to reducing emissions and delivering emissions reduction targets; how they will publish, or otherwise make available, progress towards achieving its emissions reduction targets; and how they are contributing to Scotland's Adaptation Programme the most recent version of which was published in 2019.

[The Procurement Reform \(Scotland\) Act 2014 \(the Act\)](#) introduced the [Sustainable Procurement Duty](#) requiring publically funded bodies to consider how they can improve the economic, social and environmental wellbeing of their constituency, and act in a way to secure improvements identified. Publically funded bodies must set out in their Annual Procurement Strategy how they will use procurement to address negative environmental impacts and report progress in their annual Procurement reports. This needs to explicitly address climate change and circular economy obligations.



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