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Climate Change Targets Bill – Evidence gathering

Part One – Carbon budgets

1. Do you agree or disagree with the proposed shift to 5-yearly carbon budgets (in place of current system of annual targets)?

Please set out any advantages or disadvantages of a 5 yearly carbon budget approach in Scotland

Please set out any advantages or disadvantages of retaining the current annual target system

We believe that any shift to 5 yearly carbon budgets needs to be underpinned by data and science, using approaches such as Science Based Targets Initiatives. As a local authority, it is important that the approach taken by the Scottish government is cognisant of the local authority approach and the changes currently ongoing with the support of the Sustainable Scotland Network and the Climate Intelligence Service.

Advantages of moving to a 5 -yearly approach from the perspective of Glasgow City Council are listed below.

- Alignment with National Government
- Opportunity to begin new approach with clarity of methodology and an ability to implement consistency throughout Scotland.
- Although this would be a shift in current approach for Glasgow City Council, it does align with the direction of setting carbon budgets that we are moving towards.
- Mitigate seasonal fluctuations

Disadvantages of moving to a 5 -yearly approach from the perspective of Glasgow City Council are listed below.

- Changing methodology removes an established and well understood approach.
- Capacity is required to acquire knowledge and implement changes across a wide range of services and sectors within local authorities.
 - o As capacity for local authorities is already limited, clarity of approach and timelines for impacts from any changes is essential.
- The movement from an annual reporting approach to 5-yearly will limit the agile approach that can be taken. With annual updates, adjustments to plans and project delivery can be made based on more up to date data. With less frequent assessment of progress, opportunity to react and be flexible is limited.

2. What are your views on the advantages and disadvantages of carbon budgets / targets being expressed as a percentage reduction or as absolute levels of emissions?

There are advantages and disadvantages on both sides of this question.

Representing the progress of reduction as a percentage reduction can reduce the clarity and transparency of data. This is especially important with upcoming changes to Public Bodies Climate Change Reporting Duties, especially the inclusion of scope 3 emissions. With increasing expectations on a local authority level, percentage reduction may not provide the information required and may need to be accompanied by many caveats which can reduce the effectiveness of using this metric. Percentage reduction targets however it can be useful when comparing across areas / organisations, and considering how to make the data more relatable to a wider audience.

The most important factor in this, no matter which approach is taken, is the need for consistency and support to ensure agreed methodologies are applied nationally.

3. The Climate Change Committee (CCC) suggested that the Scottish Government should consider aligning the proposed 5 yearly carbon budgets with the periods that are used for UK carbon

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budgets (i.e., 2023-27, 2028 – 32, 2033-2037 and 2038-42). What are the advantages and disadvantages of alignment with UK carbon budget periods?

The alignment of 5-yearly carbon budgets with UK budget periods may cause difficulty due to differing sources of data to calculate emissions. Data published for use by companies and local authorities may be calendar year or financial year, making calculation of emissions in alignment with UK periods more difficult. Therefore, clarity of which information is used to inform budgeting is required as soon as possible and to ensure consistency.

The UK budget periods do not align with existing targets or interim targets applicable to many bodies in Scotland, including Glasgow City Council. As Net Zero targets include information which can be dependent on national progress, this may make tracking of emission reduction and allocation of powers, resources and budget difficult as the national progress is not known at the time of reporting. For example, clarity around national progress up to 2030 may not be available to inform any reporting we require on 2030 Net Zero targets and therefore confidence around the success of progress is limited.

It is also important that the impact of this for other global and EU level reporting frameworks is considered. For example, the Carbon Disclosure Project, which some organisations and local authorities in Scotland complete, considers carbon budgets and therefore translation of the Scottish approach to existing metrics on a wider scale out with the UK should be considered.

4. At the end of a carbon budget period, there can be a surplus or deficit of emissions reductions. What do you think the legislation should say about how future surplus or deficits in emission reductions are dealt with?

It is important that the approach taken with regards to surplus and deficit emissions is clear and its impact on organisations and local authorities considered thoroughly with concise guidance released promptly to inform those working with existing Net Zero targets. The approach needs to be consistent across Scotland, with consideration given to local authorities with minimal capacity for sequestration such as the more urban areas. Therefore, a national approach with practical considerations and clarity on filtering the this to a local context is needed.

5. In early 2025, the Climate Change Committee (CCC) will advise the UK on the level of its Seventh Carbon Budget. This is the legal limit for UK net emissions of greenhouse gases over the years 2038 to 2042.

The CCC have suggested that could be used as the basis for advice on appropriate levels for carbon budgets in Scotland.

The Cabinet Secretary told the Committee that this ‘might be the point at which we are able to have clarity on the targets, and I would want a plan to be produced very quickly thereafter’.

Should the Scottish Government wait for the planned advice on the UK’s seventh carbon budget from the CCC, before setting their carbon budgets?

Should the Scottish Government propose multiple 5-year carbon budgets in 2025 up to the year 2042?

How soon after the Scottish Government has received advice from the CCC should it propose their carbon budgets?

What should the process of parliamentary scrutiny look like for the laying of carbon budgets and plans for meeting budgets?

It is important that any budget considerations are based in science and data. It may be possible to gather the required information from current public sector reporting, for example for local authorities through Public Bodies Climate Change Duties reporting and the new Climate Intelligence Service. However, if this is not possible, then an exercise to compile this data is necessary prior to

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any budget being set. Understanding the current availability of data is necessary prior to being able to fully understand the timeline for setting budgets in Scotland.

One of the key aspects of carbon budgeting is how any interim targets are managed and tracked. Proposing multiple budgets / interim targets to 2042 may support the ability to react to progress, and for example set stronger budgets if required.

It is important that any delays to the budget setting approach does not preclude action and existing reporting.

Part Two – Climate Change Plan

6. Under the current statutory regime, the legal deadline for laying a draft of the Climate Change Plan (CCP) is November 2024. This Plan was due to apply to the period of 2025-2040. The Scottish Government intends to use the Bill to change the timing for the production of the CCP.

Do you have views on when and how the Scottish Government should publish their plans for meeting the proposed carbon budgets?

What period should the next Climate Change Plan cover?

Do you think the current requirements for Climate Change Plans within the existing legislation provide an effective regulatory framework?

Are there any other aspects of the current legal framework for the creation of Climate Change Plans that you think should be updated?

At Glasgow City Council, we are currently reviewing our Climate Plan to incorporate the outputs from the development of our science based Net Zero Routemap work. This will ensure that there is effective prioritisation and a clear direction of how to move our Climate Action Plan on towards our Net Zero carbon target of 2030. Grounding the actions and plans in science and data is necessary to ensure the plan itself will work towards the targets set in a measurable way.

From our initial review, the upcoming template for climate change plans outlines the minimum requirements to be included and will provide clear requirements for those public bodies who are at the start of their climate plan journey. On a national level, having this template connected to a national climate plan and approach is important for consistency and transparency of the impact of local action. If climate plans for local authorities are to become mandatory, then this link to national plans is necessary.

Part Three: Monitoring and reporting

7. The Scottish Government has confirmed that their annual reporting on progress towards targets will be retained. The CCC have however, suggested that if 5-yearly budgets are adopted in Scotland, CCC reporting may move from a system of annual Scottish 'Progress' reports to two dedicated reports on Scottish progress every 5 years.

What are your views on whether there should be changes to the existing Scottish Government monitoring and reporting framework?

What are your views on the potential changes to the level of Scottish reporting provided by the CCC?

A 5-year cycle of reporting presents some limitations, specifically around the lack of ability to respond to progress. With a short timescale to meet emission reduction targets, 5-year reporting reduces the overall number of reports available and therefore action tailored to previous progress is limited.

Many public sector organisations now have the annual reporting process embedded within practice and use it to gather information on progress, and to support behaviour change and engagement

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around climate action. With constraints to budgets, there is a risk that climate reporting would be deprioritised should the reporting timeframe be extended.

8. A Bill, according to the Standing Orders of the Scottish Parliament, must “.be accompanied by a Financial Memorandum which sets out best estimates of the costs, savings, and changes to revenues to which the provisions of the Bill would give rise, and an indication of the margins of uncertainty in such estimates.” (Rule 9.3.2).

The 2045 target will not be amended. How much do you estimate it would cost to achieve that target?

Are current spending levels on policies to achieve this in line with what is required?

How can the Scottish Government use this year’s Budget to ensure all portfolio areas are focused on achieving the 2045 target?

Has the inclusion of a Climate Change Assessment of the Budget improved outcomes and progress towards a target?

What are your views on the presentation of the Climate Change Assessment and are there any changes you would like to see to this?

Using a science and data-based approach to carbon budgets and climate plans will enable the translation of this information to costs, savings and changes to revenue calculations. Glasgow City Council is in the process of adopting this approach through the development of our Net Zero Routemap. The indicative costs we are estimating for the city are at a level significantly above any available finances. At a national level, current spending levels on policies to achieve this are not in line with what is required to reach emission reduction targets.

Working with the outputs of the statutory reporting, Scottish Government should be able to gather an understanding of the primary areas of progress and any common themes where finance is a significant barrier to progress. Groups such as CERG and SSN have pulled together reports on where best finances could be allocated at a national level to support progress against climate targets. There is also merit in the national approach to key emissions activities that we collectively understand to have financial barriers at present, such as the support and focus on the decarbonisation of heat and the support provided through the Heat Net Work Support Unit.

Glasgow will be sharing our understanding of costs and implications of our science-based approach to net zero through our Committee approval process. Information will be available in the public domain in November 2024. We would be happy to discuss the information and detail we hold, should this be useful to the wider conversation.

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