

SR/ED/O049

25 April 2008

The Scottish Government
Climate Change Bill Consultation
1-G North, Victoria Quay
Edinburgh
EH6 6QQ

Dear Sirs

Consultation on Proposals for a Scottish Climate Change Bill

CSFT welcomes the opportunity to comment on the Climate Change Bill consultation. Our detailed responses to the questions raised follow below:

TARGETS

1. Should a Scottish target be based on carbon dioxide only or the basket of six greenhouse gases?

We believe that the scheme currently employed by the UK Climate Change Bill and EU ETS would be the best option for Scotland – Concentrate on carbon dioxide initially, but allow other greenhouse gases to be targeted at a later date if necessary.

2. Should the Bill contain provisions to alter which gases are included, for example if the reliability of data for a particular gas improves or if science changes in the future about which gases cause climate change?

Yes

3. The Scottish Government wishes to ensure that the Bill gives sufficient incentives to invest in energy efficiency and renewable electricity. Should the targets be based on source emissions; an end-user inventory; or on individual targets for energy efficiency and renewable electricity? Do you have any other suggestions?

We are unsure on this. As the target has already been decided to be production-based, is it possible to use end-user consumption as a measure? In addition, the separate targets were not explained in as much detail, therefore we are unsure what these could be and how they could be imposed or measured. In addition, we would be very keen to see incentives provided for renewable heat. Roughly 50% of the energy consumed in Scotland is in the form of heat. To omit this area for incentivisation is, we feel, a mistake.

4. Do you agree that the Bill should allow the means of measuring the target to be changed through secondary legislation to reflect international developments or unforeseen consequences of the Bill?

Yes.

5. Should the emissions reduction target take account of the abatement effort made by companies under emissions trading schemes? If so, how?

Any trade could discourage the need to reduce consumption, critically in Scotland. We would prefer a methodology which brought about reductions in Scotland and are not convinced that international trading should be measured when assessing Scottish carbon reductions.

6. Do you agree that international credits should be counted towards Scottish targets? Should there be limits on credits counted towards Scottish targets?

We do agree that international credits could be counted towards Scottish targets, but they should be a last resort, otherwise there will be no incentive to ensure a meaningful reduction in our own emissions, which will be required in the long term. Yes, there should be a limit on the credits and it should be significantly low enough not to encourage reliance on it for anything other than to make up the reduction values to the target at the end of a reporting 'year'.

7. Should the Bill allow the level of the 2050 target to be changed through secondary legislation? If so, should this only be allowed on the basis of independent, expert advice, to reflect international developments or unforeseen consequences of the Bill? Should any changes to the target be limited to an increase in the target?

Yes, the Bill should allow the level of the 2050 target to be changed through secondary legislation, and yes it should only be allowed on the basis of independent, expert advice and to reflect international developments or unforeseen consequences. We would prefer to only see an increase in the target, however we are aware that limiting the amount of international credits that could contribute to the target could make it very difficult to achieve if unforeseen circumstances do arise. We think that the option to decrease the target should be available, but it must be limited to ensure the target is still ambitious and challenging, for example 75% by 2050.

SUPPORTING FRAMEWORK

8. What factors should be taken into account when setting the level of budgets?

All the above, plus political developments, improvements to transport and planning systems etc.

9. How long should interim budget periods be?

Five Years

10. How many years in advance should emissions budget periods be set in order to provide sufficient time to develop infrastructure?

We have no expertise in this area and so do not wish to comment.

11. What should be the limit (in terms of absolute quantity or as a percentage of the budget period) on the amount of emissions which the Government can borrow from a following budget period?

We have no exact opinion on this, however are concerned that 'borrowing' may get out of hand if not monitored or controlled stringently. Borrowing must be 'paid back' within the following budget period and, therefore, be low enough not to cause further borrowing. One approach to controlling this might be to have a rolling, balanced, 5 year model where, in every five year period, 'borrowings' must be balanced by 'surpluses'.

12. Should the Bill include an interim point target? If so, what year (or years) should it be for (2020, 2025, 2030, etc.)? How should the level be chosen?

We can see the advantage of having an interim point target. If one is chosen, it must be based on a challenging, but feasible percentage of the 2050 target, preferably along the line of the proposed trajectory of emissions reduction (e.g. a reduction of 45% by 2030).

REPORTING SCRUTINY AND FRAMEWORK

13. Should the Scottish Ministers be required to report on any other issues related to climate change in addition to the requirements already set out. If so, what and how often?

We are concerned that the reporting process could get time consuming and costly, and whilst further information would be useful in the monitoring process, this must not get in the way of actual implementation of reduction schemes. If a suitable, efficient reporting process is created, then we agree that additional issues, such as international developments, policy evaluations etc should be reported on once during every budget period.

14. Is a process of Parliamentary scrutiny the appropriate way of holding the Scottish Government to account if targets or budgets are not met?

Yes, it must also be clear where responsibility lies for each target and so that progress can be tracked and reported upon and that delivery of targets can be managed particularly if action falls behind what was planned.

15. What should be the primary source of advice to the Scottish Government for setting emissions targets or budgets and why? Options include: the proposed UK Committee on Climate Change, a new Scottish Committee on Climate Change, an existing public body in Scotland, or the Scottish Government itself.

We believe that the SG should use the UK CCC, only creating a Scottish CCC should it become apparent that the UK body is not able to work effectively for Scotland and the Scottish target. If established, we believe a Scottish committee should be an actioning body, not just a talking shop. Advice and representation from as many other relevant bodies as possible must also be sought, perhaps coordinated and complied by a Scottish CCC. Such a body would need to be independent of Government, to provide unbiased advice and reporting.

16. If it were to be an existing Scottish public body, which public body is most suited to carrying out this task and why?

We do not feel a single existing public body could fulfill this task. Specialist advice could be sought from SNH and SEPA at least initially.

17. Which organisation should be tasked with monitoring the progress of the Scottish Government on reducing emissions and why? Options include: the proposed UK Committee on Climate Change, a new Scottish Committee on Climate Change, an existing public body in Scotland, or the Scottish Government itself.

As Question 15.

18. If it were to be an existing Scottish public body, which public body is most suited to carrying out this task and why?

Audit Scotland would provide independent scrutiny perhaps supported by SEPA given its existing role in environmental monitoring.

19. Should additional independent mechanisms for scrutinising the effectiveness of the Scottish Government's policies in reducing emissions be created by the Bill (in addition to any scrutiny already provided by the Scottish Parliament)?

We are unsure of this given the current information available. Any additional mechanisms must be independent and unbiased, the cost benefit implications of which would need to be evaluated.

20. If so, which organisation is best placed to carry out this function and why? Options include a new Scottish Committee on Climate Change or an existing public body in Scotland.

The SCCC would be an appropriate organisation, providing it is allowed to be independent, otherwise there would be little point in additional scrutiny.

21. If it were to be an existing Scottish public body, which public body is most suited to carrying out this task and why?

This may be a role for Audit Scotland subject to this specialist area reflected in staff skill sets. However, a number of bodies might need to be involved.

22. Are there any other functions related to climate change, existing or new, which should be carried out at arm's length from the Scottish Government and why?

No comment.

SUPPORTING MEASURES

23. Should the Bill contain enabling powers to introduce a duty on certain parts of the public sector (i.e. local authorities and large public bodies) to take specified actions on climate change or other specified environmental issues? Why?

We feel that this could ensure that local government and large public bodies recognise their contribution to emissions reduction targets and take steps to address it. We would also the use of supporting fiscal measures to encourage appropriate behaviours by bodies and individuals.

24. What should such a duty (or duties) include?

We should be seeking to ensure that public bodies act sustainably and that through their influence they encourage appropriate action in others, for example by establishing policies or by targeting funds into carbon reduction activities.

25. Should the Bill contain enabling powers to introduce statutory guidance for certain public sector bodies (i.e. local authorities and large public bodies) on specified climate change or other environmental measures? Why? Are there gaps in any existing guidance?

Research would need to be undertaken to bring together existing guidance, identify gaps and assess the need for more to enable the public sector to contribute towards the 2050 target.

26. What should this guidance include?

We imagine others are better placed to respond on this point.

27. Should the Bill contain enabling powers to create a requirement for certain public sector bodies (i.e. local authorities and large public bodies) to make regular reports on specific measures they are taking to tackle climate change (whether mitigation or adaptation) or other environmental issues? Why? What should be included in such reports?

Key milestones could be established through Single Outcome Agreements. However, if recording mechanisms are not in place or are not part of the routine 'business' of existing reporting, public bodies may struggle. We feel that, it would not be appropriate to make reporting compulsory until a process is put in place which is efficient and effective.

28. As a potential non-legislative measure, should current Best Value guidance be amended to take specific account of climate change mitigation and adaptation? If so, how should Best Value guidance be amended?

Best practice guidance could be amended, for example by seeking procurement which assessed whole life costs and the impacts of embodied energy.

29. Are there any amendments to existing legislation or any enabling powers needed to allow for variable charging (for example by local authorities) to incentivise action or eliminate perverse incentives?

Whilst a UK/EU issue we believe that the VAT anomaly on new build versus repair/restoration does need to be addressed. Whilst new homes will become increasingly energy efficient, existing homes will not and homeowners need to be incentivised to install energy saving measures like insulation and more efficient forms of heating. Not all of these devices are rated at 5%, which is clearly a disincentive. Energy companies might also be encouraged to maximize reduction of current demand rather than being focused on new demand. Would the costs of home energy actions be less than the costs of ew power infrastructure?

30. Are there any provisions to help Scotland adapt to the impacts of climate change which should be included in the Scottish Climate Change Bill?

As 29, could energy companies do more?

31. Should provisions within the Environmental Assessment (Scotland) Act 2005, be amended in order to provide clearer links with emissions reduction? If so, how should this be done?

We do not have the appropriate knowledge in this area to comment.

32. What are the equalities implications of the measures in the proposals for the Scottish Climate Change Bill?

We do not have the appropriate knowledge in this area to comment.

33. Is there any existing legislation within the competence of the Scottish Parliament (devolved) which needs to be amended so that appropriate action on climate change can be taken by sectors in society?

We do not have the appropriate knowledge in this area to comment.

Yours sincerely

Simon Rennie
Chief Executive