Audit & Standards Committee ▰SPT

Regularity audit of the Public Bodies Climate Change Duties report 2023/2024

Date of meeting   29 November 2024   **Date of report**   4 November 2024

Report by Chief Executive

1. Object of report

To advise the Committee on the findings of a regularity audit of the Public Bodies Climate Change Duties report for 2023/2024. This engagement was included in the annual Internal Audit plan 2024/2025.

2. Background to report

The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015 came into force in November 2015 as secondary legislation made under the Climate Change (Scotland) Act 2009. The Order requires public bodies to prepare reports on compliance with climate change duties.

The Sustainable Scotland Network (SSN) issues guidance notes for completing the Public Bodies Climate Change Duties report.

A report must be submitted to SSN by 30 November each year through the online reporting platform.

The objective of this engagement was to provide a level of assurance on the arrangements for submission of the Public Bodies Climate Change Duties report 2023/2024.

This engagement tested elements of the internal controls and mitigation against SPT 28: Impact of climate change, as identified in the corporate risk register.

Note: In May 2024, the Cabinet Secretary for Net Zero and Energy wrote to all public bodies on climate change reporting duties and to provide the Leaders' Climate Emergency Checklist.

3. Outline of findings

SPT has and continues to introduce a range of energy efficiency initiatives.

The Climate Change Duties reporting deadline for energy consumption during 2023/2024 was met.

Issues identified during engagement testing were addressed prior to on-line submission of the report for 2023/2024.

Key controls exist and are applied consistently and effectively in most areas covered in this engagement.

Sound assurance in most areas can be placed on energy usage reported in the Public Bodies Climate Change Duties submission for 2023/2024.

The Leader's Climate Emergency Checklist has been populated and can be found at Appendix 1.

4. Committee action

The Committee is asked to note the contents of this report and the Leader's Climate Emergency Checklist.

5. Consequences

Policy consequences	*None.*
Legal consequences	*In accordance with the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015.*
Financial consequences	*None.*
Personnel consequences	*None.*
Equalities consequences	*None.*
Risk consequences	*As detailed in the report.*
Climate Change, Adaptation & Carbon consequences	*None.*

Name	Lesley Aird	**Name**	Valerie Davidson
Title	**Director of Finance & Corporate Support**	**Title**	**Chief Executive**

For further information, please contact *Iain McNicol, Audit and Assurance manager* on *0141 333 3195*.

Leaders' Climate Emergency Checklist

This **Climate Emergency Checklist** is designed to enable senior leaders in the public sector to assess their organisation's maturity and capability in tackling the climate and nature emergencies.

Public sector leadership is critical to addressing the climate and nature crises, a triple challenge of making a just transition to net zero, adapting to a changing climate and enhancing the state of nature.

This checklist offers a high-level assessment of where action is needed on embedding climate emergency (and nature) responses including adaptation and mitigation in public sector service planning and delivery.

The checklist equips leaders to understand legislative responsibilities and align with national and local policy developments while ensuring a just transition that delivers sustainable benefits for Scotland's people and environment.

The Sustainable Scotland Network (SSN) developed this Checklist in partnership with the SSN Steering Group, SOLACE, COSLA and the Improvement Service.

How to use this checklist?

The checklist involves a self-assessment of your organisation against the themes of:

Targets **Strategy** **Governance** **Delivery**

Finance **Performance** **Skills**

This will help prioritise action and inform the development of a programme of measures to drive the necessary transformational change.

¹ www.legislation.gov.uk/asp/2009/12/part/4

² https://sustainablescotlandnetwork.org/reports

³ https://sustainablescotlandnetwork.org/uploads/store/mediaupload/1890/file/NZ%20Illustrative%20Statement.pdf

Why use this checklist?

Contribute to national emission targets **(mitigation)**

Prepare for the impacts of climate change **(adaptation)**

Tackle the **nature emergency** and use nature based solutions

Act in a way which delivers the **Just Transition**

The Scottish Government, with support from the Scottish Parliament, has committed to reducing greenhouse gas emissions to Net Zero by 2045, with a 75% emission reduction by 2030. Key policy areas with high emissions reduction potential are transport, food, heat and procurement.

All public sector organisations have Climate Change Duties under Part 4 of the Climate Change (Scotland) Act 2009[1]:

....to contribute to the delivery of Scotland's national emissions reduction targets ('mitigation');

....to help deliver Scotland's statutory climate change adaptation programme;

....to act in a way that it considers is most sustainable.

Public sector bodies must report annually[2] on compliance and are increasingly setting their own targets. All bodies should have adopted the national targets as a minimum – an illustrative Net Zero Statement[3] developed by the Scottish Government, can be adapted for use.

Delivering these ambitions 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 which is recognised in the Public Sector Leadership on the Global Climate Emergency Guidance[4] published by Scottish Government and SSN. Most sectors, including the public sector, will need to reduce emissions close to zero without offsetting for Scotland to meet its national climate change targets.

Urgent action and delivery through collaboration and partnership working is essential. The longer the delay in taking action the greater and faster the reduction in emissions required and the greater the risks from the changing climate. We are already seeing impacts from changes in rainfall intensity and frequency causing more flooding and drought conditions; and heatwaves affecting health and well-being.

Acting now will deliver optimal benefits for Scotland's people and places while minimising risks and costs.

	Foundation (Structured and Focused)	Advanced (Comprehensive and Professional)	Exemplary (Innovative and Transformational)	SPT Maturity level	Comments	Progress to date	Files (link)	Improvement Actions
Strategy	Action on climate change is a strategic corporate priority.	Key areas for action have robust strategies in place to inform delivery.	Climate change is embedded in all organisational strategies and plans, and shapes decision making and resource allocation.	Advanced		SPT Climate Change Strategy and Net Zero Action Plan spt_regional-transport-strategy-2023-2038.pdf		
Targets	Targets set with clear baselines, boundaries, inventories, and interim targets, supported by delivery pathways, and aligned with national policy objectives.	Targets/outcomes set for key functions of the body, including procurement/supply chains, upstream and downstream impacts of the body's functions.	Targets/outcomes go beyond net zero, aimed at regenerative and holistic sustainability transformations.	Advanced / Exemplary	Despite removal of ScotGov 2030 target, SPT remain committed to 2030 target in alignment with Glasgow's Climate Plan, which would fit exemplary. May need clarity on definition of supply chains. SPT expanded our emission boundary to include upstream and downstream scope 3 impacts evidenced in our GHG Emission Inventory. (Tab2) May be representative to state SPT moving toward 'advanced' through development of additional specific targets which may be developed through subaction work taken forward by relevant departments. E.g. long term action to develop sustainable procurement strategy for SPT would include its own action plan, and targets.	**Our Targets** SPT's policy-based targets are based upon national climate change targets set out in legislation. These targets are specific to SPT's operational emission boundary. • **Target 1:** SPT aims to have net zero carbon emissions across our Scope 1 and Scope 2 operational emission boundary by 2030. • **Target 2:** SPT aims to have net zero carbon emissions across our full operational emission boundary by 2045. These targets reflect quantitative carbon reduction pathways established for different parts of the business, including additional categories beyond PBCCDR e.g. purchased goods and services (supply chain), capital goods, downstream leased assets (supported bus services), fuel and energy related (transmission and distribution losses from electricity used in SPT buildings and EV vehicles), fugitive emissions (refrigerants).	SPT Climate Change Strategy and Net Zero Action Plan spt_regional-transport-strategy-2023-2038.pdf	
Governance	Structures are in place to ensure oversight, accountability, and transparency in climate-related decision making.	Climate change embedded into decision making at all levels, with evidence reported of how this influences decisions on plans, projects, and resources.	The body is proactively influencing partners, citizens, and stakeholders to drive change at scale, locally, regionally, and nationally.	Advanced / Exemplary	SPT have had in place advanced mechanisms which ensure senior leadership structures are in place to provide oversight, accountability and transparency of the Climate agenda at all levels. We are in the process of embedding climate change into decision making through the SPT Climate Change Strategy and Net-Zero Action Plan. SPT are approaching exemplary through our collaboration with climate action networks and groups across the Glasgow City Region through Climate Ready Clyde (CRC) , Sustainable Glasgow (SG) and Public Sector Climate Adaptation Network (PSCAN) where we collaborate and contribute to progress on mitigation/adaptation outcomes. SPT, along with Network Rail are the lead partners for Flagship Action 8 of the CRC Strategy which established a Regional Transport Climate Resilience Group bringing together transport partners including Transport Scotland, ScotRail, Confederation of Passenger Transport, CalMac and Sustrans to promote adaptation in the transport sector.	To ensure that SPT has oversight and accountability on emissions reduction progress and projects delivered through the Action Plan, collaboration is vital at strategic and operational levels. Through clear leadership, shared responsibility and collaboration, decision making, resource allocation and risk management can be effectively managed to enable SPT to navigate complex challenges and maximise mitigation and adaptation opportunities. SPT's Carbon Management Working Group (CMWG), has been superseded by the Net-Zero Delivery Group to take forward implementation and delivery of the Net-Zero Action Plan. This new group brings the agenda in line with the Strategy delivery themes as a framework for discussion, evaluation and progress review. The group meet regularly to drive progress, address any emerging issues, and will engage additional stakeholders and departmental experts as needed to support the delivery of our Net-Zero objectives. This promotes enhanced collaboration, engagement and knowledge sharing between key departments resonsible for delivery of the Action Plan, and supports improved monitoring, evaluation and reporting mechanisms. The Group enables closer integration of environmental activities across the organisation, helping to effectively capture progress.	REPORT (spt.co.uk)	
Delivery	Climate action incorporated in policy development and service design, with policies and projects in place and actively managed.	Coordination of delivery across service areas and projects to maximise benefits and avoid unintended consequences.	Working collaboratively to align and scale policies, projects, and partnerships on climate action.	Advanced		RTS Delivery Plan As noted above, the Net-Zero Action Plan is being taken forward by the internal Net-Zero Delivery Group and relevant departments/action owners.The group are undertaking work to develop the action plan into a comprehensive delivery plan, with a focus on ensuring clarity on the scale of potential interventions required for the next 5 years of delivery.	SPT Climate Change Strategy and Net Zero Action Plan The Regional Transport Strategy for the west of Scotland 2023-2038 (both linked above)	Collaborative working across SPT is required (at strategic and operational level) to achieve succesful delivery of the Strategy and targets within. By implementing effective improvement mechanisms, emissions data and carbon accounting methodology can be improved annually to increase accuracy and ensure that we develop a deeper understanding of the complex dynamics of climate change and the impacts for SPT, our staff and our passengers and customers. This will allow us to refine both the Strategy and our targets, making it more responsive. A key example of this is the development of an environmental management system (EMS) to centrally organise this data for improved emissions tracking and reporting purposes.
Finance	Investigating how to align spend with targets and steps being taken to progress.	Understanding of how to align spend with targets. Finance gaps identified and work underway to secure resources.	Resource and spend clearly aligned with targets, climate impact of investments being managed, and collaborations in place to leverage investments.	Foundation / Advanced	SPT have advanced level of understanding on what is required, as well as the data needed, however need to agree monitoring procedures and sub actions to identify specific projects / costs. More investigation work required to align spend with targets. The Net-Zero Delivery Group are taking forward work to identify resources/budget required for implementation of the programme of work.	There are indicative costs in the SPT Net-Zero Action Plan within the SWECO Technical Report. Financial data is also used to inform estimation of emissions arising from Scope 3 categories - purchased goods and services and capital goods sources. This is used as an estimate as it is the least accurate form of emissions reporting, and will need to be enhanced / replaced with supplier specific data through the Net-Zero Actions to address these emissions sources.	SWECO Technical Report	May be further collaboration required between finance department to take forward work to leverage finance / funding for the Net-Zero Actions. Delivery of some actions will be dependent upon government support and new funding (SPT Climate Change Strategy and Net Zero Action Plan) The RTS Delivery Plan will not be a fully costed programme of investment, but it will provide an ongoing indication of the scale of activity necessary to take forward the actions required to implement the strategy. SPT has capital and revenue budgets that cover a range of functions from supporting local authority partners in delivering transport infrastructure to subsidising socially necessary bus services. In addition, funding is also allocated to transport planning workstreams to develop business cases, feasibility studies and appraisals in order to progress projects to implementation. SPT will continue to utilise these resources to develop and implement the RTS Delivery Plan and the actions it identifies. However, these will not be sufficient in isolation to realise the transformational change being sought for the region. Therefore, it is crucial to explore alternative sources of funding in dialogue with local authority partners, Transport Scotland, Community Planning partners, transport operators and developers. Ideally, through partnership working with these bodies, the possibility of establishing a long-term funding pipeline can be explored. Nonetheless, SPT will seek to maximise funding opportunities for RTS delivery through bids to external funding sources, partnership working, developer contributions, financing and its assets. Some interventions may also be revenue generating themselves although the costs of providing many measures often equates to or exceeds the revenue they create. Ultimately, the efficient and effective use of resources will be crucial to the successful delivery of the RTS. This is closely aligned with our work on governance which seeks to ensure that we have the right decision-making processes in place for how best to use these resources. spt_regional-transport-strategy-2023-2038.pdf

Performance	Mandatory climate change reporting used to inform delivery and communicate progress.	Progress on climate change is part of regular performance monitoring and accounts and corrective actions taken.	Monitoring is above and beyond mandator requirements and reporting is shared and reviewed with stakeholders.	*Advanced*	To achieve 'exemplary' SPT need to evaluate current data collection/management systems to enhance GHG reporting. This will be done using SPT's GHG Emission Inventory which outlines the required data for emissions tracking.	Regular reporting through the SSN since 2015. Through Climate Strategy development we have identified the need to improve data, as well as develop robust mechanisms to track and report on emissions reduction progress.		As we take forward the measures in the Strategy Action Plan, we will continuously monitor our performance and review the targets and commitments for climate mitigation to reflect progress and priorities together with any future changes in national legislation and policy. We will review and refresh this Strategy at least every five years. Following approval of the sub actions and future governance arrangements, programme led implementation and delivery plans can be developed to inform a robust approach to monitoring and evaluation. **Monitoring** – The continuous and systematic process of data collection of our activities (activity data) and emissions to ensure SPT are in compliance with our Net-Zero targets. This involves tracking KPI's related to energy consumption, fuel consumption and greenhouse gas emissions to assess effectiveness of SPT's Climate Change Strategy and Net-Zero Action Plan. **Reporting** – The periodic (or monthly) disclosure of SPT's progress towards our Net-Zero goals. These should include detailed reports outlining emissions data, reductions achieved and compliance with regulatory requirements. These reports should be shared with stakeholders, including regulatory bodies (SSN) and the public to maintain transparency and accountability. **Evaluation** – The process of critically assessing the outcomes and impacts of SPT's Net-Zero Action Plan. This involves analysing the effectiveness and efficiency of implemented measures, identifying areas for improvement, and ensuring that the actions taken are contributing towards the overall goal of achieving Net-Zero emissions. It is important to use evaluation processes to inform and adjust future strategies and actions for continuous improvement.
Skills	Key staff aware of how climate change is part of their roles and responsibilities.	All staff understand how climate change fits into their activity and key staff taking action to embed climate change.	All staff empowered to act and contribute to climate targets and outcomes.	*Advanced*	SPT have actively engaged in environmental awareness campaigns since 2015, e.g. Second Nature campaign. Work is underway to revive this effort, and ensure all staff are empowered to act and contribute, through targeted communication plans through the Strategy. (detailed in I	SPT has a skilled and knowledgeable Procurement team who understand the wider impact of, and the need to urgently reduce, our Scope 3 emissions. SPT's Procurement team and officers across SPT Departments have undertaken training and guidance on the Sustainable Procurement Duty. From the Net-Zero Action Plan – 1. Energy efficiency - To enhance awareness of energy saving measures and staff contribution to this endeavour. a. Partake in 'Switch on to Switch Off' Campaign b. Establish 'green team' or environmental dept. champions to take ownership of energy use in their departments. c. Provide online resources to develop employee awareness of being more energy efficient and how this can be embedded within work-from-home lifestyle. d. Brief new staff on Energy Efficiency Policy. 2. Sustainable Procurement - To support procurement staff in their understanding of, and ability to actively consider the impacts of climate change and other environmental issues early in procurement decisions. a. Promote and encourage adoption of Scottish Government Sustainable Procurement Tools. b. Ensure procurement team have completed up to date sustainable procurement or carbon literacy training. c. Develop template for SPT staff which outlines key sustainability considerations when making purchases through T1. 3. Waste/Recycling a. Awareness raising, training and resources on correct waste segregation, recycling, and disposal methods. i. To ensure staff understand the importance of waste management for environmental protection and compliance. ii. To provide guidance on proper waste handling procedures to minimise environmental impacts and maximise resource efficiency for SPT. iii. To promote circular principles to staff to increase recycling and reduce waste contamination. 4. Sustainable Corporate Mobility - To promote sustainable travel and encourage employees to prioritise sustainable transport modes. a. Engage and communicate progress on sustainable corporate mobility initiatives in the region, through collaboration and knowledge sharing with Sustainable Glasgow and the Corporate Mobility Pact. b. Develop staff-based forum to encourage behavioural change, communicate updated business travel policies, exchange best practice, raise awareness of journey sharing, tele conference etc., active travel business travel options. c. Launch awareness campaigns and educational communications (intranet, social media etc.) to inform employees about the benefits of sustainable transport options and encourage behavioural change.		**Environmental awareness, skills, and capacity building:** Achieving net-zero will require contributions and commitment from SPT staff at every level, to inspire change and encourage participation in climate positive behaviours for the organisation. Behavioural change is essential to the implementation of our Action Plan. It is crucial that SPT's staff understand their contribution to emissions arising from staff commuting or waste generation and how they can contribute to mitigating our impact to achieve our Net-Zero targets through informed decision making. By embedding climate change considerations into staff induction training for example, we can ensure that staff awareness of climate change impacts and how they can contribute to reducing them is clear from the outset of their career at SPT. This will not only build environmental awareness and stewardship across the organisation, but it will also help to drive efficiency and reduced costs for energy consumption. By making our staff more aware of their impacts we can build opportunities for positive behavioral change in the workplace. **Communication & engagement plan** – To ensure that all staff are 'empowered to act and contribute to climate change targets and outcomes' we have developed a draft communication plan which includes priorities for SPT staff as follows: ◻To increase environmental awareness and understanding for SPT; ◻To increase stakeholder awareness and understanding of SPT's Climate Change Strategy and Net-Zero Action Plan. ◻To inspire change and encourage participation in climate positive behaviours for the organisation which can help deliver net-zero for SPT; ◻To promote transparency and demonstrate SPT's corporate environmental commitments to carbon mitigation and adaptation, circular economy, and sustainable corporate mobility. ◻Inform and update the public on action we are taking to address the global climate emergency, adapt to further climate change impacts, and our contributions to national, regional and local targets. Topics for communication include: •SPT Climate Change Strategy & Net-Zero Action Plan; •Environmental awareness and engagement •Waste Management Procedures •Sustainable Procurement •Sustainable Corporate Mobility •Climate Resilience & Adaptation