



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Environment, Climate Change and Land Reform Committee

**Tuesday 13 September 2016**

**Session 5**



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Pàrlamaid na h-Alba

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**Tuesday 13 September 2016**

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**ENVIRONMENT, CLIMATE CHANGE AND LAND REFORM COMMITTEE**  
**4<sup>th</sup> Meeting 2016, Session 5**

**CONVENER**

\*Graeme Dey (Angus South) (SNP)

**DEPUTY CONVENER**

\*Maurice Golden (West Scotland) (Con)

**COMMITTEE MEMBERS**

- \*Claudia Beamish (South Scotland) (Lab)
- \*Alexander Burnett (Aberdeenshire West) (Con)
- \*Finlay Carson (Galloway and West Dumfries) (Con)
- \*Kate Forbes (Skye, Lochaber and Badenoch) (SNP)
- \*Jenny Gilruth (Mid Fife and Glenrothes) (SNP)
- \*Emma Harper (South Scotland) (SNP)
- \*Angus MacDonald (Falkirk East) (SNP)
- \*Mark Ruskell (Mid Scotland and Fife) (Green)
- \*David Stewart (Highlands and Islands) (Lab)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

- Victoria Barby (Scottish Parliament)
- Matthew Bell (Committee on Climate Change)
- Lord Deben (Committee on Climate Change)
- Sir Paul Grice (Scottish Parliament)

**CLERK TO THE COMMITTEE**

Lynn Tullis

**LOCATION**

The Robert Burns Room (CR1)



## Scottish Parliament

### Environment, Climate Change and Land Reform Committee

*Tuesday 13 September 2016*

*[The Convener opened the meeting at 10:03]*

### Decision on Taking Business in Private

**The Convener (Graeme Dey):** Good morning and welcome to the fourth meeting in 2016 of the Environment, Climate Change and Land Reform Committee. Before we move to agenda item 1, I ask everyone to switch off their mobile phones and electronic devices, because they might affect the broadcasting system. However, people in the gallery might notice some committee members consulting tablets during the meeting—that is because we provide meeting papers in digital format.

Agenda item 1 is to decide whether to take item 5 in private. Are members agreed?

**Members** *indicated agreement.*

## Interests

10:04

**The Convener:** I take this opportunity to welcome Jenny Gilruth to the committee and, under agenda item 2, invite her to declare any interests that might be relevant to the committee's work.

**Jenny Gilruth (Mid Fife and Glenrothes) (SNP):** I have nothing to declare other than what I have already declared in my entry in the register of members' interests.

**The Convener:** Thank you very much.

## Committee on Climate Change Annual Progress Report

10:04

**The Convener:** Agenda item 3 is an evidence-taking session with the Committee on Climate Change on its “Reducing emissions in Scotland: 2016 Progress Report”. I welcome to the committee Lord Deben, who is the chairman of the Committee on Climate Change, and Matthew Bell, who is its chief executive. I know that both of you gave evidence to our predecessor committee—the Rural Affairs, Climate Change and Environment Committee—so it is great to have you back.

We have a series of questions for you, but I want to start with a general one. What is your overall view of Scotland’s progress in cutting emissions since 1990?

**Lord Deben (Committee on Climate Change):** Thank you very much for welcoming us. We are very pleased to be here.

First, Scotland is doing better than any other part of the United Kingdom, and I am unashamedly using it as a means of chasing other people to do better, so please keep on with that. It is very valuable from our point of view. That ought to be said strongly.

I am slightly annoyed that some press reports emphasised the downside rather than starting off as we did by saying that of course although it is true that the weather in 2014 was helpful, for example, if we take that out, it is still true that the Scottish Government’s policies and programmes have made a significant difference—you are meeting a target, and the target is tough. It seems to me that, unless one starts there, it is much more difficult to go on to say that other things have to be done. A bit of congratulation and thanks come first.

It gets progressively more difficult, of course, because you have been very successful in facing up to the questions from the power sector. There is less opportunity there because of the success, so transport and agriculture very clearly become the next areas to make demands of, and both are difficult. It is not about picking the low-hanging fruit; it is just that certain things are more difficult. Agriculture has, of course, a higher proportion of emissions in Scotland than it does in other parts of the United Kingdom, so Scotland has a specific problem the animal husbandry part of agriculture is a bigger proportion of agriculture as a whole and is a more difficult area to deal with.

We are very pleased with the amount that the Scottish Government has done and the amount of advice that it has taken. Much of the advice that

we gave last year has been implemented, but we must say that some things that we listed really need urgent attention.

**The Convener:** We will explore those in detail in due course.

**Jenny Gilruth:** The committee notes that domestic policies are responsible for only a share of the emissions reductions that have been achieved to date. Can you identify any specific UK policies that have contributed to reducing emissions?

**Lord Deben:** Many policies have contributed to reducing emissions, but the UK as a whole is not doing as well as Scotland in specifics. We were able to disassociate the accidental reasons for improvement—weather and such like—from the real reasons for it, which is not always easy for a large base where we are drawing from four different nations. There is no doubt that some policies to improve insulation and to reduce energy loss from poor housing have been effective in Wales, for example, and to some extent in England, but Scotland has addressed specifics, and that is worth saying.

**Matthew Bell (Committee on Climate Change):** That is true in every sector; we could go through the series of policies in every sector. On the power-generation side, there are renewables obligations and how the levy control framework and the auctions work. They are all set at United Kingdom level, so they impact on Scotland. Equally, local policies and planning issues and local support from the Government here have an impact on the success of renewables, as do Europe-level policies. The EU emissions trading scheme also has a big impact.

Similarly, we could go through transport policies at Europe level, including those on fuel efficiency and car efficiency ambitions; policies at UK level, including those on fuel duty and taxation; and policies at Scotland level, including those on approaches to parking and to modal shift. In every sector, there is a triad of policies—some are from Europe, some are at UK level and some are at Scotland level. We break that down in detail in our report, and we are clear about where progress can be made in areas that are under the Scottish Government’s control and where progress requires discussions at Europe or UK level.

**Mark Ruskell (Mid Scotland and Fife) (Green):** I welcome the witnesses. I will ask about back-loading. It was significant to the 2014 figures that a number of allowances were withheld. What will be the impact of that, particularly in the light of Brexit, which means that the UK might no longer participate in the EU ETS?

**Lord Deben:** The Brexit situation is very difficult—it is a dreadful thing that will have serious

implications. However, we must face the fact that anybody who pretends to know what Brexit means is lying. They do not know—not even those who wanted Brexit know what it means. We do not know what the effect will be, because all that is open for negotiations. I notice that the UK Brexit minister has said that Brexit might involve the most complicated negotiations ever. I do not seem to remember that having been said during the referendum campaign, but there we are. It does not help to postulate what might happen in the situation that we face.

The central issue is that the public must know the truth. In other words, we must not allow the system to cover up whether we have done better or worse. On every issue—whether it is back-loading, banking or any of the other things that can be done—the Committee on Climate Change is determined to make clear what has happened. The most difficult area will involve moving from net emissions to gross emissions measurement, which the Scottish Government has committed to doing. That must be done in a way that does not make comparators impossible, because the public must never feel that they are being misled. I see back-loading in that group of things.

**Matthew Bell:** We make it clear in the report that Scotland would have met its targets even if the back-loading had not taken place. Relatively complex accounting rules govern how a target is defined and how we calculate whether it is met, but if we set aside the accounting, we try to make clear to Parliament and the public the level of real progress. If the back-loading had not taken place, Scotland still would have met its targets.

The fact that some of the ETS allowances have been taken out temporarily—the idea is that they will be put back in later—means that progress cannot be counted on, so the overachievement is probably overstated if we look at the simple figures. However, we know that there is a lot of discussion in Europe about reforming the EU ETS. Notwithstanding any Brexit issues, we expect that the EU ETS will be reformed over time. Part of that discussion will cover how to treat the permits that were temporarily taken out for back-loading.

**Mark Ruskell:** So, the position is quite difficult to pin down. If the allowances are brought back in the next couple of years and if we do not make progress on agriculture and transport, we might end up failing again to meet annual targets. Who knows?

**Lord Deben:** In objective terms, that is a possibility; we must make the reality clear. The EU ETS arrangements have huge advantages, but the disadvantage is that people do not know in advance the proportion of the weight that will be on the UK as a whole, so budgets must be made up without that knowledge. That makes it difficult

for experts—let alone the public—to understand how that works.

**The Convener:** I apologise sincerely, but I have to suspend the meeting for five minutes because of problems with the recording system—we think that the first few minutes of the meeting have not been recorded.

**Lord Deben:** I wish that I had said something really outrageous.

**The Convener:** We will come back to that.

10:14

*Meeting suspended.*

10:20

*On resuming—*

**The Convener:** I offer my apologies and am delighted to say that we can now resume the meeting. There was a low-level recording of the initial stage of the meeting, which should be sufficient for the purposes of the *Official Report*.

We will pick up from where we were. I invite Alexander Burnett to ask some questions.

**Alexander Burnett (Aberdeenshire West) (Con):** Good morning. It was good to see that Scotland played its part with a share of the UK's reduction of about 8 per cent, which is more than its share of gross value added and population. However, as you mentioned, there are a number of anomalies, including a negative in farming and a positive in woodlands, that are obscured by that 8 per cent average. Going forward, how do you see Scotland's ability to pay its share compared to its share of GVA and population? Will the performance of any other sectors be masked by the average?

**Lord Deben:** Clearly, it will depend very much on Scotland's ability to get significant reductions in agriculture. That is absolute. Transport is the other area where significant reductions will be necessary.

In both cases, the big issue is the need to clear the excuses out of the way before we start. With transport, for example, there is always the excuse that Scotland is a big area with a small population and therefore must have a lot more long-distance transport. It is true that there is a special problem, particularly for the carriage of goods, but that is only a very small proportion of the total problem. The big issue is how we reduce the impact of transport in the central belt, where the problems are very similar to those in any other urban area of the United Kingdom or beyond. It is important for committees such as yours to say that they will not be led astray by the easy answer that tends to

come out in the half-minute that people get on television, when they say, "This is why we cannot do it." That easy answer is not true.

The big thing with agriculture is to get accurate basic measurements on where we are and agree them. For example, we need to bring the peat areas into the calculations, to see where we are with forestry and what that really means, and to make sure that the industry as a whole accepts those things. Unless we have a more effective baseline, measurements in the future will be significantly difficult and we will go on having what the convener and I talked about before: what I call anecdotal compliance, which is nonsense, because people tell the anecdotes that suit and not all the other anecdotes. That bit will be the biggest problem for Scotland and it must be dealt with at once. It must be got right as quickly as possible.

Although the big issue may be livestock, we must not have the excuse that the smaller things that we can do—such as different methods of ploughing or no-plough methods—do not add up to a huge amount and are not worth doing. They are worth doing, not only because what they add up to is worth it but because it gets the whole farming community into a spirit of saying that it must play its part. If you do not get it to play its part in the relatively easy areas, jumping immediately to the difficult parts is almost impossible.

**Matthew Bell:** We know that the objective is to de-link economic growth and GVA from emissions growth. An important part of that is investment in infrastructure and in a range of things that contribute to economic growth but can help to reduce emissions. We have not yet mentioned the building sector or individual households putting in place energy efficiency measures and low-carbon heating measures as part of the infrastructure renewal programme. Those are components of allowing GVA growth to continue while continuing to reduce emissions.

**The Convener:** Thank you. That was a useful scene setter. We will now drill down into certain sections, starting with energy.

**Angus MacDonald (Falkirk East) (SNP):** It is clear that we are making good progress on renewable electricity generation and, with a reduction in overall generation in Scotland coupled with an increase in generation from renewables, that is indeed progress. However, your report highlights that a significant increase in the rate of renewable energy installation will be required to meet the target to generate 100 per cent of Scotland's electricity from renewables by 2020. There has been clear progress with tidal and wave energy, which is moving apace. In fact, there was progress on that yesterday as, thanks to a £23

million investment by the Scottish Government, some tidal turbines were placed in the Pentland Firth.

However, there are still areas where we are not moving forward as fast as we would like. For example, we are not meeting our targets on district heating, although I am pleased to say that there is an exciting initiative for a large district heating project in a major industrial complex in Grangemouth, in my constituency, which will provide cheaper heat to the massive petrochemical plant and further afield to council buildings and so on. The project is at an early stage but, hopefully, it will progress pretty soon. The initiative was first mooted in the 1950s and has been mentioned every decade since—it is a case of better late than never, and we are definitely getting there.

What are your views on the progress that has been made in cutting emissions from the energy sector as a whole? Where can we improve?

**Lord Deben:** That is a very useful exemplar, because one of the problems that we have in Scotland and elsewhere in Europe is the difficulty of getting people to think differently. District heating is a good example, as there is an instinctive dislike of it that we have to get over. Another example, which is true in Britain but not in Germany or Scandinavia, is that we refuse to accept ground source or air source pumps—it is hugely difficult to get those installed.

If I were your committee, I would press the Scottish Government to look more closely at behavioural science. We have just put a behavioural scientist on our committee—I wanted to do that when I became chairman. There are certain areas—ground source heat pumps and district heating are good examples—where the technology really works and we can make a real change, but the problem is that people say, "I don't like it and I don't think it works. Doesn't it mean that I have to have my heating on when they want it and not when I want it?" If I were setting a priority, it would be to work hard on helping people to realise the opportunities that are there. There is Government and cross-party agreement that those things ought to be made available. It is the general populace that we have to engage.

10:30

**Angus MacDonald:** Certainly, behavioural change is the key. We just have to look across the North Sea to Norway, where there is a high uptake of air source and ground source heat pumps. It is taken as read over there, with no questions asked, that those should be put in. There is therefore no doubt that behavioural change here is a must.



**Finlay Carson (Galloway and West Dumfries)**

**(Con):** My question comes on the back of the discussion about behavioural change. What recognition is given to the importance of future energy storage, particularly given that the pattern of renewable energy production is variable and does not always fit with people's behaviour? What emphasis have you put on energy storage as a method of reducing energy consumption?

**Lord Deben:** We are very keen on energy storage, which is generally thought of as having two different sorts: carbon capture and storage, which we think is an essential part of enabling us to use gas for longer periods; and electricity storage, which would increasingly contribute to making intermittent production part of the base-load. If we could do electricity storage, it would be unimportant that energy is intermittently produced.

I am always a little leery about talking about energy storage, though, because there are always people in politics—he says after being in politics himself for a very long time—who will grasp at any excuse. What I do not want is a situation in which people say, as some do, “Oh, well, Lord Deben, it's very easy, you know. We only have to wait for this to come and it'll all be all right.” I do not want to get into that area, because we do not know what is going to happen. We have not even got a full-scale exemplar of CCS, apart from what is happening in Canada.

The reason why we all think that electricity storage will be delivered and we think that it must be okay is that so much money is going into it from so many successful businesses that have been very good at electronics and suchlike. However, we have not got it and it must not be an excuse for not doing other things. Electricity storage is central, though, and if we can get it, it would change the whole face of things. It may be that, given the uncertainty of a renewed nuclear contribution, which is part of the present panoply of things, electricity storage will have to be part of the mixture that delivers.

**Matthew Bell:** More generally, we tend to emphasise the importance of flexibility in the electricity system, which includes storage but also the demand-side response that we were talking about and a range of technologies that allow the electricity system to respond more flexibly to changes in demand patterns. There is a range of technologies, one component of which would be different storage technologies.

**Lord Deben:** Some of the technologies are less easy to sell to the public. When we talk to them about smart grid, we have to go into some explanation. However, if we talk about energy storage, they understand that. The truth is that we are moving from a grid system that will look as out of date as rutted roads did to the age of metalled

roads when we get smart grids, which will be wholly different. However, there is that journey to travel and many newspapers, for example, will attack smart metering and smart grids if they can find a reason to do so.

**Mark Ruskell:** It is clear that we have made excellent progress in Scotland in developing renewable energy generation, but there is still a long way to go. Your report points out that, in effect, we need to more than double our installation rate within the next couple of years to meet the 2020 target. I am interested to know where you think that generation will come from. Will it have to come from offshore renewables? There are some controversies at the moment surrounding offshore wind. Do we need to reinvest in onshore wind and perhaps repower sites? What kind of subsidy regime will be required to support that?

**Matthew Bell:** You are right about the figures. Compared to what has been installed over the past few years, the rate of installation in the next few years to 2020 would have to increase quite substantially to meet your 100 per cent target. Having said that, we also observe that the projects that are in the pipeline and are at various stages of development would be sufficient to meet the target, so it is not that there is no idea about the set of projects that would be sufficient to meet the target. Were the things that are in the pipeline to be brought forward and to be installed and operational by 2020, they would be sufficient to meet the 2020 target. Those projects represent a range of different technologies, onshore and offshore.

**Mark Ruskell:** However, that assumes that there is a subsidy regime that means that the pipeline of projects is economically viable. That is perhaps the difficulty that the industry now faces.

**Lord Deben:** It is very important to recognise that the choice between the possibilities and the decision on the nature of a regime to achieve the aim is bound to be a political decision; it is not a decision for the Committee on Climate Change. We have to say, “Here is a range of things from which you can choose and this is the figure that you have to meet.” We can point out that this is or that is an advantage but, in the end—in the mixed economy that there is between Scotland, the United Kingdom and the European Union—it is for politicians to decide on the politically acceptable mix.

My only determination is that there should be a mix. The danger is if politicians decide that there is only one way forward and one answer, because every country and every sort of politician has a terrible record at picking winners. I am so old that I can remember the groundnut scheme. Right from very early days, when we thought that we knew

how to pick winners, we have found that we do not know. There needs to be a range of things. Of course, that approach is more expensive than if you pick the right one, but it is a darn sight cheaper than when you pick the wrong one, so we have to take that approach. We have a duty to remind the Government that to go down one route and have one answer would be very dangerous.

**Maurice Golden (West Scotland) (Con):** Thank you for coming today.

I am interested in how we manage electricity demand in particular. You mentioned managing demand at a micro level through, for example, smart metering at the household level. I would be interested in hearing your views on that, but also on the impact of managing demand at a national level via industrial units. In Scotland, we have an issue of transmission capacity. Would, for example, the introduction of an electric arc furnace—they are used in other places across northern Europe—be a means of managing demand rather than the use of constraint payments? There is also the more general issue of transmission network use of system payments. Obviously, electricity generators in Scotland pay those charges and English consumers pay on the other side of things. Can you talk about demand management overall, at both a micro level and the national level?

**Lord Deben:** We have to get a lot better at doing demand management and we have to learn a lot from other people. I am very conscious of the amount of reinventing the wheel that goes on in this area. Demand management happens in places where you would never think that it would happen. For example, the southern Texas electricity company manages demand by arranging a special deal for all its customers who have technology that automatically shaves a very small amount off their use in times of peaking. The cost reduction is so great that customers get a cheque in the post every month for doing it. That is a voluntary operation. I give that as an extreme example, because it comes from Texas, which is not at all where you would expect it to come from.

First, we have to recognise that there is a lot to learn from other people. Secondly, we can do a huge amount by using modern technology in the home. I am talking not just about smart metering, but about people being able to turn on the electricity from a smartphone instead of the old-fashioned system in which the electricity comes on at the usual time even though they have decided that they will not go home as early as they normally do. That sort of thing can make a huge difference and, of course, users know that they are saving money for themselves, which is an important encouragement.

My main comment is that some of these things are very complex and the Government has to be involved in how the big utility companies step up to the mark. One of the things that I am critical of is that, if we look at energy saving in the mechanism of delivering electricity, it is pretty difficult to see that there have been huge steps forward. There is a lot of pressure on the utilities to become much more fleet of foot and quicker at introducing new technology, and much better at explaining to the public why it is in their interests to use it. It is wrong to suggest that a smart meter is a kind of spy in the cab—the sort of thing that is used to attack the tachograph—when it is a means of people saving money for themselves. The utilities have to be much better at selling that. In the end, commercial operations make their money by selling their products. Why they cannot understand that they ought to be selling that is a problem for me.

**Maurice Golden:** At national level, are we encouraging industry to take on that electricity demand as a way of avoiding heavy constraint payments?

**Lord Deben:** That is an important point. We have been concentrating on the degree to which we have not seen the savings in the industrial field that we might have expected, given the pressures. We have to look at that much more closely.

**Matthew Bell:** In its auctions and contracts with industry, National Grid has had increasing success in trying to enter into voluntary arrangements. It is important that those are seen as genuine voluntary arrangements. Again, sometimes when industry turns down its production at times of peak electricity or energy demand there is an overblown reaction to that as a negative outcome that reduces UK manufacturing, whereas in fact it is shaping manufacturing to when it is cheapest to do the production. The ability to make such adjustments is very important.

More generally on some of the things that have been mentioned, such as transmission charging and the arrangements that are in place for pricing flows of electricity, which clearly sit with the Office of Gas and Electricity Markets, at this level it is important that the need to meet 2020, 2030 and 2050 climate change targets is an explicit part of those conversations. It is then for Ofgem to decide precisely what mechanisms are in place and what the pricing arrangements are to meet the objectives that we have set collectively; the climate change objectives are an important part of that.

**Claudia Beamish (South Scotland) (Lab):** Good morning to you both, and welcome. Does the Committee on Climate Change see a place for inclusive models such as co-operative and community models in relation to energy at all

levels in Scotland? Does it have a view on whether there is a place for—to use a generic term—fracking for a transition fuel in the context of climate change?

**Lord Deben:** I am personally a great believer in community-based generation. Part of the Germans' success can be put down to the fact that half of their renewable energy is in the hands of co-operatives or local communities in one form or another; there is a much wider commitment to the success of renewables there than there is in other countries, certainly in the UK. I am very much in favour of finding ways of doing that. I do not think that we can just blame Governments—either the Scottish Government or the UK Government—for the fact that we are not very advanced in this area. There is no doubt that the co-operative movement in Germany was very proactive and that has not been the case in Britain, for all sorts of reasons. We have to energise the issue.

10:45

We have taken a clear view on fracking: only if the very tough requirements that we have laid down are met can fracking be part of a society that is committed to meeting the fourth and fifth carbon budgets. Our job is to set the budgets and parameters and to be clear about what can and cannot be done within those things. However, once one has been clear about that, the choice of where fracking takes place and so on is really up to the Government—it is for the Government to decide whether it wants to have fracking and on what basis it wants to have that fracking, whether in the UK or in Scotland. However, we have said that, if you have fracking, you have to meet three clear and major requirements and that, if those requirements are not met, fracking is inimical to meeting our fourth and fifth carbon budgets, which the nation has accepted. We have set out a clear statement. We do not have a philosophical opposition to fracking, but we have a clear statement about what you have to do to ensure that it is done within the budgets that we have laid down.

**The Convener:** David Stewart has some questions on transport.

**David Stewart (Highlands and Islands) (Lab):** Your report and your earlier responses have highlighted that transport is an area where, frankly, we need to try a lot harder. As you know, transport is responsible for 28 per cent of emissions in Scotland. How important is it to you to emphasise modal shift from car use to other forms of transport?

**Lord Deben:** It is clearly a crucial part. It comes back to behaviour. It is one of the surprises in life that, day after day, people will sit in their car in a

traffic jam for an hour when they could get to the same place, perhaps on a convenient tram, in a quarter of the time. However, that is how some people operate. We have to understand more clearly how we can move people.

However, there have been remarkable improvements and changes. Where I live, in the centre of London, one is much more likely to be knocked down by a bicycle nowadays than almost any other form of transport. Things really have changed. There are serious examples of modal shift. In many cities, the introduction of trams has had an effect because people clearly find them more attractive than buses and are more likely to use them. We are more likely to get modal shift through that sort of method than through some of the rather high-falutin' suggestions about getting people to walk further or longer.

First, you have to introduce people to the possibility of not using the motor car. Frankly, we will have to start thinking about making people feel shame about using their car for very short journeys, because the real problem is the number of short journeys in motor cars in big cities—that is common to England, Wales, Scotland and Northern Ireland.

**David Stewart:** Earlier, you mentioned that, on one level, this issue is not really about technology as much as it is about psychology, changing attitudes and change management. I lived in London when congestion charging came in. Hitting people in the pocket certainly helped, and the huge investment in buses and the tube made a huge difference.

**Lord Deben:** You cannot expect people to make behavioural change if changing is inconvenient. For example, just knowing when the bus is coming is one of the biggest advantages and producers of behavioural change. If you know that the bus is coming in two minutes, you will stand and wait for it; if you are just hoping that it will come, that is a very different choice.

**David Stewart:** Having real-time information at bus stops is important.

**Lord Deben:** Real-time information is very important.

**David Stewart:** On the same theme, how important is promoting ultra-low emission vehicles? Clearly, having such vehicles is good practice for having very low emissions in Scotland and the UK.

**Lord Deben:** Both are important. If you merely made a straight choice between the present mode of propulsion and electric vehicles, that would not have done much for the general problem of congestion. You are really trying to do two things. First, you need to ensure that the vehicles that you

use produce as low carbon emissions as possible; secondly, at the same time, you need to create alternatives so that people use the roads more sensibly in terms of the capacity. That is all about using our resources properly. Climate change says to us that it is not only the immediate question of electric vehicles rather than internal combustion engines, but the longer-term question of how we run our society in the way that we want it to be run with less demand on resources. You want to lessen demand for the building of roads and the need for such infrastructure.

**David Stewart:** It is important that we make the transfer of freight from road to rail and, indeed, to sea, easy for business. Many businesses in my patch in the Highlands and Islands tell me that it is quite difficult to get freight on to rail.

I will give you an example of best practice. The previous committee went to Rotterdam, where, as you may know, a direct freight-only rail line from Rotterdam harbour to Germany had received funding. That cost billions of euros. Incidentally, it received European funding, which takes me back to another point that was made earlier. Is it important that we encourage the movement of freight off the road, as well as ensure that the infrastructure is there so that businesses are able to do that easily?

**Lord Deben:** I agree. Sometimes, it is not about having big infrastructure, but about having information and getting people to think about it. In my former constituency, I had Britain's largest container port, Felixstowe. Until a change in the control of the railways, if a new shipping line came in, only the lorry companies tried to get its business; the rail companies made no attempt to do that. However, given the competitive situation, the first people in the port's offices are very often those from the rail sector, so we are now under real pressure to provide enough rail connections. Sometimes, it is not the huge things, but the smaller things and making people think that there is an alternative and different way of doing something. You do not need to do things as you have always done them.

**David Stewart:** I am conscious of the time, convener.

Your report recommended some very good best practice on urban consolidation centres. I visited one such centre in Rotterdam, again with the previous committee. For those who have not followed them, those are systems in which heavy goods vehicles put freight to a common centre outwith a city and smaller lower-emission vehicles are used to take the freight into the city centre. Obviously, that is excellent for reducing emissions. Do you see that as best practice not just for Scotland, but for the rest of the UK?

**Lord Deben:** I certainly see that as best practice. However, the practice has to be spread beyond the use of HGVs. We need to adopt that approach much more in construction. It is much easier if the gathering together of that which is needed for a construction site is done outside the city, so that the delivery is in a smaller vehicle and, because the freight has been consolidated already, the number of trips is much less. We have to get to the point at which the construction industry operates on a just-in-time basis. That is the only way in which you would restrict the amount of traffic; you would also save significantly, because material is not left on sites for long periods where it gets broken or stolen. There is every advantage in following that approach; it is one of those areas in which a difference would really be made.

A problem—in both Scotland and the rest of the United Kingdom—is that the construction industry is not always the most modern and rapid. It tends to stick to what it knows works rather than trying to find new ways of proceeding.

**David Stewart:** This will be my final question, because I am getting a look from the convener.

Aviation is obviously a big cause of emissions. What is your assessment of the Scottish Government's policy of implementing a 50 per cent decrease in air passenger duty?

**Lord Deben:** I am always very careful not to take specifics and say that I think that something is good or bad, because it is the Government's role to make those choices. If you make a choice of that kind, you need to look at what you must do in other areas to balance it.

You may well say that, for social reasons, you want to do something that is more difficult as far as emissions are concerned. What I am pushing for is very simple: if you do that, you have to say at the same time what the total effect will be on your carbon budgets; where you are going to make up for that; and what you are going to do to cover it.

It can only work if we all think like that. There are no absolutes in this area, except the absolute of reducing our emissions. The way that you do it is a political decision, but part of that decision involves never avoiding the fact that any decision costs something. You need to look at what it costs and say what you intend to do to offset that cost.

**Matthew Bell:** One of the advantages that the Climate Change (Scotland) Act 2009 has over the United Kingdom's Climate Change Act 2008 is that it provides for all aviation emissions to be captured in the carbon targets and carbon budgets. There is no question but that there is a legal duty on the Government, if the result of its decision would be to increase aviation, to seek to offset the cost

somewhere else in order to stay within the carbon budgets.

**Mark Ruskell:** Staying on that topic, do you see an alternative to air passenger duty that would reflect the true environmental cost of frequent flights while at the same time meeting the Scottish Government's objectives?

**Lord Deben:** You could decide to implement all sorts of alternative systems that some might say would be socially more equitable—you could do a range of things. Again, that is a fundamental political decision that a Government has to make.

If you do something that is damaging, such as increasing air transport emissions, it is necessary under the Scottish system—unlike in the rest of the UK—to compensate for that elsewhere. However, that is only the second point. The first point is that, when you do it, you must be concerned to discuss what it might mean.

That must be part of the whole ethos of the way in which you make decisions, so that decisions are not made first and you then have to catch up on emissions targets afterwards. Decisions must all be made with the emissions effect as part of the consideration—we have to move towards that approach. You will not meet your tough targets unless you do that. It is almost as if, when you are buying the pencils, you are thinking about what the effect on emissions will be from making that decision.

**The Convener:** In your report, you highlight the benefits of cutting the upper speed limit from 70mph to 60mph, and you indicate that that would cut emissions by 8 per cent. Can we possibly get to the point at which transport makes an appropriate contribution without doing that?

**Lord Deben:** Again, our job is to remind people of the cost of doing or not doing certain things. It is not for us to say that you ought to cut the speed limit to 60mph. However, we have to remind people of the realities of having a 70mph limit.

Yes, you can meet the requirements for transport by doing other things, but you need to remember that, in each case, you are asking people to make choices. What you cannot do—if I may make a very unsuitable remark—is to behave as you might in a family. If your wife says to you, or vice versa, “Do you think we can afford such-and-such a thing?” and you say or she says, “Well, we could afford to do that, but we can't afford to do the other thing”, you do not want to do that—you want to do both. That is the truth. You want your partner to agree to the possibility of doing both things.

That is exactly the situation here, but we have to say that, if you do not do something, you will, if you want to meet the requirements, have to do

other things. You will have to decide what the politically acceptable things are. You cannot simply say that you will do neither, and that is the issue. That is why it is worth highlighting something that we know is politically very controversial and saying that it would make a huge difference, so if you do not do it, you have to consider where else that 8 per cent comes from.

11:00

**The Convener:** Let us move on to another area where we need to see a better return, which is land use—agriculture, forestry, peatlands and so on.

**Kate Forbes (Skye, Lochaber and Badenoch) (SNP):** I have a few questions on how we make more progress on agriculture. You have identified the possibility of greater international collaboration on that. What opportunities have you identified that could give more progress in agriculture through international collaboration?

**Lord Deben:** Ireland, New Zealand and Finland are all countries with not dissimilar problems to those in Scotland. Agriculture plays an important part in their planning for climate change and they all want to do their best. They are doing a lot of work in that area, so there is a lot to learn from co-operating with them. In particular, the New Zealanders have been concerned to see what they can do. Scotland might well find it worth while to co-operate with similar-sized countries that have the same problem of having a relatively small population and a large area, with an important role for agriculture.

Matthew Bell has been concerned with the New Zealanders and no doubt would like to add to that.

**Matthew Bell:** There are different types of co-operation. At one level, for agriculture and land use, it is about understanding what works, doing analysis, trialling things and doing research to try to understand what works. Clearly, that is easier if several countries are doing different things and can then pool their learning.

In other areas, it is about how to balance the contribution that agriculture will make with the contribution from wider land-use change. That might be to do with forestry or more broadly how land is treated or how we think about soil fertility and carbon stored in peatlands and soils. Again, different countries will have different approaches and learning about what works, and some will be explicitly trying to co-ordinate research efforts.

Finally, we know that in agriculture we do not have all the answers yet, so research and development and innovation, on a range of issues such as animal feed, still have to take place in order for us to have a set of options that we can

then try out. Consideration could be given to whether the Scottish Government by itself has enough funding to do the necessary research and development or whether it is better to pool some of that R and D funding and undertake that on a multilateral basis.

**Kate Forbes:** My next question is on changing cultural practices in agriculture, particularly through voluntary initiatives. I am curious to know how successful you think such initiatives have been. For example, in the farming for a better climate initiative, which is voluntary, the first phase demonstrated savings in emissions from the focus farms of 10 to 12 per cent, despite challenging weather conditions. Is that rate replicated across the scheme? How do we encourage greater uptake of voluntary initiatives?

**Matthew Bell:** One thing that we have been clearest about, not just in the current report but in previous reports, is the importance of proper evaluation of such schemes. We struggle to know how effective the farming for a better climate initiative is and the extent to which it has been picked up outside the farms that were immediately involved in it. We need better evidence on, evaluation of and tracking and monitoring of voluntary programmes. That is important to inform thinking on whether to continue with the voluntary approach or to think about other mechanisms, incentives and opportunities to roll out such initiatives. One thing that we have been clearest about is the importance of on-going monitoring and of reacting to what is found out. We find a lack of evidence in that area, not just in Scotland but more generally. That would be an important first step.

**Lord Deben:** That brings me back to the point about baselines and knowing what one is calculating against. If one is calculating against only the figures from a particular farm, which is very often the case, there is no concept of whether the baseline is relevant. Farms that choose to do such things are very often farms that have always been good at that, so we cannot tell whether we are making a bigger impact.

I have actually stopped part of a report—not one for Scotland, I should point out—because I did not think that the quality of the baselines in agriculture was sufficiently good for them to be compared with the other parts of the report. I felt that it was better not to say, “We can’t answer this question, because we really don’t have the proper statistical base.” That brings me back to the point that getting that statistical base is absolutely essential.

With that, of course, you can trace whether the success of individual, voluntary arrangements is being duplicated on other farms, whether the practice is moving and actually happening, whether the farmers unions are helping with it and

so on. I do not think that we can tell that now, because I do not think that we know. It all comes back to these things becoming anecdotal.

It is very dull and boring work, but it has to be done. We have to get those figures right if we are going to be able to prove to ourselves what works. We might discover that the voluntary system does not work, but we need to know that. We cannot turn to farmers and say, “We’re going to make this compulsory because you haven’t done it right” if we cannot prove that they have not done it right.

**The Convener:** I believe that Claudia Beamish has a question on that very issue of mandatory versus voluntary approaches.

**Claudia Beamish:** As politicians—as Lord Deben has suggested—we are all keenly aware of the reasons for making something voluntary or mandatory.

In the previous Rural Affairs, Climate Change and Environment Committee, we looked at the possibility of mandatory on-farm carbon audits. Has your committee looked at such audits and do you see a place for them—bearing in mind, of course, your comments about the need for evidence if we are to expect people to do something?

**Lord Deben:** We have not done all the work that I hope that we will do on this issue. Like everyone else, we have to start with priorities; we are moving into agriculture now in a way that we have never done before, because we had to get the first part right. In that sense, the change of the structure in London and the move from having a closeness between energy and climate change to taking a wider view is, I think, advantageous, as long as it continues in the same direction—and there is every indication that it will. It is advantageous to say that climate change is about not just energy, but a whole range of things, and it is very strongly going to be about agriculture.

We will have to do some more work on that. Again, though, as you have pointed out, unless we get the basic measurements right, there is no point in having an audit. You can have an audit only if your figures are right.

**Mark Ruskell:** Just to build on that point, I think that it will be useful if you could share your experience in Government with us. How do we achieve policy coherence? After all, these issues have been separated into two areas in Scotland. We have two committees, one of which deals with rural affairs and agricultural issues and the other with the environment; we have two separate ministers; and we have different groups lobbying on either side—if I dare say that there are sides to this debate. Do you see a way for us to deliver greater policy coherence here? I have to say that I

see making significant progress in this area as a real challenge in Scotland.

**Lord Deben:** The convener's introduction to this little discussion about land use is key to this. I am just completing an article for a periodical in which I argue the case for our being much more serious about land use. I just think that we have to recognise that land use is crucial in these islands and that if we want to have these sorts of responses, we have to be thinking about how we deal with rural land, urban land, forestry and all those things together.

Of course, it is not for me to say how your committees should work, but I think that one of the problems with the separation of committees relates to the concept of thinking about land use in a certain way. Why, for example, is planning not involved in both the environment and agriculture? After all, they are all part of the same picture. If we are going to deal with not just flooding but what happens with much heavier rain coming down in much more concentrated bouts on the west side of Scotland and what that will mean for the countryside and how we protect ourselves as well as how we make use of it, we can do that only if we think about land use as a whole. I think that we have been very slow to understand that. My key point, therefore, is that we need to think about land use together with everything else.

**The Convener:** I want us to move on to housing, which Alexander Burnett will ask about.

**Alexander Burnett:** Before I ask my question, I refer to my entry in the register of members' interests—I have interests in house building and the rented sector.

We obviously want improvements to be made in housing, housing standards, energy efficiency and how buildings' energy efficiency is monitored through energy performance certificates. There have been considerable discrepancies in the quality of EPCs. Varying results can be obtained depending on which firm is used, and there seems to be a lack of consistency in the standard. I think that the energy efficiency standards are a very good thing, but they have become more and more important and have more and more financial implications, whether in relation to the feed-in tariff, the level of renewable heat incentive funding that people can qualify for or their ability to let a property. What is your view on that? How important an issue is it? Who do you think should be taking the lead in getting greater consistency in the standard of EPCs?

**Lord Deben:** First, I think that it is an extremely important issue. The energy efficiency of houses continues to be not good. We are still building houses that we will have to retrofit, because we

are not building them to a standard to which other countries would automatically build them.

I also think—this is an area in which I have some expertise—that the argument that building energy-efficient houses cannot be done because it is so much more expensive is just nonsense. The truth is that the only reason for it being more expensive is that we do not do enough of it, so we do not get the same long runs that we do using less efficient systems. We just have to realise that. The situation is similar to that with offshore wind. At the start, it is very expensive indeed. It is only when a company has a proper order book and can have bigger boats and do all sorts of things that it could not do before that the price falls very significantly. If Government does not set high standards and insist on them and not change the date, the industry will not make the changes that it needs to make. What is more, the good companies will suffer, because the people who think that they can get away with it will get away with it. We do not want that to happen, because it is bad for morale and morally unacceptable. I take the issue very seriously.

The argument that I like least is that of the people who say, "Oh, it's only a tiny bit. You have to understand, Lord Deben, that most of the houses we've got are already built, and that's what we've got to concentrate on." Yes, that is true, but it does not mean to say that we should make the situation worse by not building the new houses to the standard to which we hope to change the existing ones. Therefore, I think that you are right. The issue is absolutely central.

**The Convener:** Time is against us, so I want us to move on and look at waste.

**Maurice Golden:** I have just one focused question, which is on your recommendation on encouraging recycling and separate food waste collections in rural and island communities. In general, when a new service is introduced, some rerouting is done to mitigate the financial impact of that. In rural and island communities, authorities have significantly less scope for economies of scale. Therefore, how could your recommendation on the use of such systems in those areas be fulfilled?

**Lord Deben:** It is not easy, and I would not pretend that it is easy. I am not sure that it is possible to do it without accepting that it will be more expensive to do it in those areas than elsewhere. As with the penny post, I think that we must—in so far as we can—provide services in rural areas that are commensurate with those elsewhere.

In many of those rural areas, of course, people are able to do a lot of their own composting. I am very keen on the money that you have being spent

to get those who are not doing that to understand how to do it and certainly to provide the preliminary equipment that will make that possible for many.

There are a number of ways of doing it, and I think that that in particular is the best. It is certainly the one that we found in the very rural area in which I live, but it is nothing like as difficult there as it is on the islands. You are quite right.

11:15

**The Convener:** Claudia Beamish has a short, sharp question about the business, industrial and public sectors.

**Claudia Beamish:** Actually, the question, which is to both witnesses, has almost been asked. What opportunities exist in devolved areas in Scotland in relation to the public sector, industry and business? As you will know, we have moved towards mandatory reporting in the public sector after a complex range of discussions in the previous session of Parliament. Do you have comments to make on any of those sectors, please?

**Lord Deben:** I am very much in favour of reporting, as long as somebody reads the reports and ensures that what has been reported has a result in changing attitudes and improvements. I am terribly concerned about the amount of reporting that goes on to no good purpose at all, except to report. You have a wonderful opportunity of making people feel that, when they report, my goodness, somebody will look at that report and say, "What about this?" and "Well done." It is very important to say that when a report has been done well. Saying thank you is one of the cheapest and most important things for us all to learn.

**Claudia Beamish:** An appropriate note for our committee might be to get back those who are doing mandatory reporting, listen to what is said about where things are going and, I hope, say thank you.

**The Convener:** We will move on to the third report on proposals and policies. I want to explore how you think RPP3 can build on RPP2, the implications of the Paris agreement for its development, and having in place proper monitoring of progress, which is touched on in your report.

**Matthew Bell:** That is a good place to start off, as one thing that we have recommended most strongly is that the next RPP climate change plan sets out clear and measurable objectives against which progress can be measured in each sector, whether that is in areas that we have talked about, such as transport, buildings and agriculture or, indeed, in the continued progress on the electricity

and power fronts. It is not simply a collection of policies or good ideas; it is also a programme against which we can evaluate progress and make adjustments. We know that there will be learning as people go along and that where they set off from might not be where they end up, but it is important to have the information—we have just talked about the monitoring of public buildings and monitoring more generally in schemes.

As we have indicated in response to other questions, it is often not our position to say what the precise policy is that should go into RPP3, but it is important that there is a range of policies in each of the sectors that we have discussed, that different things are trialled, that things such as district heating schemes are put in in a meaningful way, that meaningful efforts are made on modal shift, electric vehicles and agriculture, and that monitoring takes place such that we can make adjustments over time, because these are medium-term plans.

**Lord Deben:** That is crucial for the public because there will be a very bad effect if people do not believe that those things are really happening or if they think that someone else is not doing them while they are, or that one country is not doing them and another is. Last night, I heard somebody say, "Oh, well, we're doing it all, and France and Germany aren't." As a matter of fact, that was absolutely untrue, but the point is that we need the figures if people are to continue to work hard.

**The Convener:** Okay. What about the impact of the Paris agreement?

**Lord Deben:** For me, it is the most important agreement that we could possibly have, as it has told the world the direction that we are moving in. We may find some difficulty in keeping up with it; we may have to pressurise all the time; and, of course, some people have promised what they will not deliver whereas other people will deliver more than they have promised. In my view, the Chinese will deliver more than they have promised, as that is their mechanism of thinking, but others will not do that; they just signed up because they had to.

The fact is that nobody now can doubt the direction in which we are moving and what we intend to do. The Paris agreement is crucial to that. We should not underestimate what it is: never before in the history of mankind have all the nations of the world come together voluntarily and agreed something as extensive. It is a staggering fact and it has changed the world.

**The Convener:** On a number of occasions, you said that it is not your role to tell the Government what to do. However, you make recommendations and you have given the Scottish Government two options on Scotland's annual emissions targets to



2032. Will you briefly outline the merits and demerits of each option?

**Lord Deben:** That is what I have a chief executive for. [*Laughter.*]

**Matthew Bell:** The difference between the two options is not huge. With both of them, we end up in broadly similar places, particularly given all the uncertainty that we have just been talking about in relation to agriculture and other policy areas.

The first of the two options that we have presented recognises the fact that the annual targets out to 2027 were set a number of years ago and, since then, new evidence and new facts have emerged. Were we in a world in which nothing was changing, that new evidence and those new facts would suggest that we should change our annual targets out to 2027 as well as set the new targets that have to be set for 2028 to 2032. We recognise that the reality is that we are not in a world where everything is standing still. In particular, the Government proposes to introduce a new climate change bill. If that new bill will result in a set of new targets, it might be superfluous to try now to go through the legislative process of changing all the targets between the present and 2027, when we know that, in a year's time, we will have a new climate change bill that will do that.

In effect, that is the difference between our two proposals. It is clear that you have to set new annual targets from 2028 to 2032 by 31 October 2016. Whether you decide to amend the targets up to 2028 is a judgment about whether the proposed new climate change bill will be introduced quickly enough, be meaningful and provide the direction that everybody needs to make that additional legislative process superfluous.

**The Convener:** Gentlemen, I know that you have another meeting in Edinburgh to attend. I thank you on behalf of the committee for a fascinating morning's evidence. I have no doubt that we will continue to engage with you in the years ahead.

11:22

*Meeting suspended.*

11:26

*On resuming—*

## Climate Change and the Scottish Parliament

**The Convener:** Under agenda item 4, we will take evidence from the Scottish Parliament on its work in combating climate change. As a public sector body, the Parliament is required to follow the duties set out in the Climate Change (Scotland) Act 2009 and to report on its work to reduce its carbon footprint.

We are joined this morning by Sir Paul Grice, the Scottish Parliament's chief executive, and Victoria Barby, the Parliament's environmental manager. I welcome you both. Members have a series of questions for you, but I will begin with a scene setter. How would you characterise the Scottish Parliament's performance in these areas to date?

**Sir Paul Grice (Scottish Parliament):** We are very pleased with what we have achieved since we set out on this road a number of years ago, with strong support from the Scottish Parliamentary Corporate Body and the wider Parliament. With a few exceptions—just undershooting in areas such as waste—we have hit all the targets that we have set.

The key point is that we are right on track for hitting the 42 per cent reduction in our carbon footprint by 2020. I am always a bit anxious or nervous about sounding complacent, but we are pleased with where we have got to so far, and we are keen to kick on from here.

**The Convener:** What are the biggest challenges that you have faced to date in trying to hit those targets? Have you any examples of the innovative working that has helped you to achieve the progress that you have made so far?

**Paul Grice:** Electricity consumption dominates in terms of carbon footprint. There has not been one single thing, but that is a big area for us, which has required not only investment in technology, such as LED lighting, but behaviour change through persuading us all to remember to switch things off and that kind of thing. That has been an area of challenge.

Waste has been a particular challenge, although I think that the numbers are impressive: we have achieved a 72 per cent reduction, and we are aiming for 90 per cent. The point about waste reduction is that a lot comes down to behaviour. We are trying to reduce what we use in the first place, which is about changing the way in which a lot of us behave, and that is always a challenge. Over the years, we have had tremendous support

from members and staff alike, but nonetheless that is a challenge for us as we move forward.

When you set out on a programme like this, inevitably you do the stuff with the highest returns first. For example, we put LED lighting in the car park, the payback on which was perhaps a couple of years. However, as we move forward, we are having to look for more and more challenging opportunities.

Those have been the two biggest challenges, and I think that they will continue to be so.

11:30

**The Convener:** On the subject of energy consumption and lighting, it has long been a bugbear of mine that parliamentary committees sit during the daytime in rooms with bright lighting and the blinds drawn. We are told that that is largely to accommodate television coverage. Is the Parliament starting to look at that? To be blunt, television technology will have moved on. Is there not an opportunity to use cameras that cope better with lighting sources? Surely you will appreciate that the situation does not look good.

**Paul Grice:** I have a light in my eye now.

The LED lighting that we now have has reduced energy consumption. There is a tension that has existed throughout the life of the Parliament. You are right that both the committee rooms and the chamber are, at one level, like broadcast studios. By far the largest number of people who view your work as parliamentarians, which is vital, will view it through webcasting and on TV, and we need the best quality for that. Therefore, there is a tension—more so in other rooms, such as the chamber, as you know yourself—and I am trying to strike a balance.

You are right that as we put in new cameras, they are able to work with lower light levels, but the reality is that broadcasters prefer blacked-out rooms, whereas we try to strike a balance. Eventually we will have to do more than put in LED bulbs and replace the lighting, and we will look at the issue at that time. I am afraid that I cannot offer you an immediate solution, but we are trying to strike a balance. Putting in LED lighting has at least reduced the energy consumption of the lights that we do use.

**The Convener:** Thank you. We will move on to reporting procedures, with Claudia Beamish.

**Claudia Beamish:** Good morning, Victoria and Paul. You have a carbon management plan, which covers buildings, travel, decision making and indirect greenhouse gas emissions. When was it last reviewed? Do you have any comments to make on it?

**Paul Grice:** It has been in place for about five years and we review it annually and take external advice on it. For example, the Carbon Trust was enormously helpful when we set it up, as were organisations such as Zero Waste Scotland and others. I want to spare Victoria's blushes, but we have always felt that it was right to have on the staff a technical expert, such as her and her predecessor, David Fairhurst, to guide us.

We review the plan annually. The carbon plan brings everything together for us, as you neatly described, and it will be continued. Whether a complete revision of it is needed, I do not know. At the moment, as long as we are on track to achieve the target, we will continue with the annual update. To my mind, there is probably a case for standing right back when we get close to 2020 and starting again, just to make sure that we are not missing new issues that we might want to address.

**Victoria Barby (Scottish Parliament):** We have also applied for the Carbon Trust triple standard. That will give us good verified data and text to show that we are meeting the target in our plan and talking about the right data.

**Claudia Beamish:** How has the Parliament found the experience of fulfilling the reporting requirements under the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015?

To go back to your answer to my previous question, have you been able to share with other public sector organisations what is obviously quite a lot of good practice?

**Paul Grice:** To answer your first question, as the committee may know, we volunteered to the Government to take part in the process a year early and we found it to be satisfactory. It is a good discipline and the organisation is very happy with it. Now that we are into the formal process, it is good that we have had that year.

Victoria Barby networks a lot with other organisations and when I have been invited along, I have spoken publicly about what we have done and shared not only what we have achieved, but our challenges, which is important. That has been very well received. Because we are a high-profile public body, people are always interested in what we do.

I listened to some of the earlier evidence, and I would underline the point that the convener and others made about having to have the data. We persuade people by having good information and being candid about not just our achievements but where the challenges lie. That is the approach that we have tried to take, and we are always very happy to share our experience with not just the public sector but the private sector and third-sector organisations.

**Claudia Beamish:** I know that it is early days for the mandatory reporting, but have the reporting mechanisms been comparable with those of other organisations?

**Paul Grice:** I will let Victoria Barby answer that.

**Victoria Barby:** It is really helpful that there is now an online system, because we can now enter the data directly. The data is pulled through from the previous year's submission, which also saves my time because I do not have to add in all the different data. It is good that we can use the Carbon Trust standards as part of the verification of that data, which means that we are not duplicating by having additional verification from other organisations. However, I do find that, because the template tool is designed to cover different public sector organisations, our data sometimes does not quite fit and we cannot quite answer as many of the questions as we would like to and as we could do if we were a bigger public sector organisation. However, the template is designed to cover everybody, so we can accept that.

**Claudia Beamish:** Lastly, are you considering doing any peer-review assessment in relation to the mandatory targets?

**Victoria Barby:** No, not this year but we might do so in following years. We have used the Carbon Trust standard, which is probably better than having a peer review.

**The Convener:** You touched on the issue of sharing best practice with other organisations. Has any work been done on physical collaborative working with neighbours, perhaps around district heating and that sort of thing?

**Paul Grice:** That is a really interesting idea and it is something that will be in a future plan. Our approach would be to work with the City of Edinburgh Council, which has, or is just about to, set up a company within the council to promote district heating. We would certainly be interested in that, although it is obviously a long-term plan. However, district heating is something that has been on our radar for quite some time. It is not something that we are a big enough institution to lead on, but if the council is interested in developing a scheme, we would certainly want to be part of discussions on that. Then, it would just come down to what the business case was. However, in principle, district heating is something that I am very interested in.

Other areas of collaboration principally involve collaboration with the City of Edinburgh Council around transport and other issues. We work very closely with the council on getting people to and from the Parliament building. So, yes, collaboration with our neighbours is key.

**The Convener:** We will come on to transport in a minute, but we will move on now to procurement.

**Maurice Golden:** Hi, both. First, I should declare an interest in that in my previous role with Zero Waste Scotland I worked with the Scottish Parliament on the Parliament becoming a flagship zero-waste zone and, most recently, on supporting the sustainable procurement work.

It would be helpful if you gave an overview of your sustainable procurement vision for the Parliament. Specifically, how can the procurement strategy open up to include disruptive or circular economy businesses, which tend to be small microbusinesses that get left out of procurement because they are inevitably deemed to be a higher risk by those who are doing the procurement? For example, there are microbusinesses out there that offer an LED lighting service, which we have mentioned, that would mean, in the case of the Scottish Parliament, that the LED products would be owned not by the Parliament but by the microbusiness. I would like to hear more about integrating that sort of procurement into your sustainable procurement strategy.

**Paul Grice:** I will make a few points and then maybe invite Victoria Barby in. First, we see procurement as a central and integral part of our approach, underpinned by our responsible procurement strategy, which dates back to about 2009.

More recently, we have a sustainable procurement matrix, which guides us through any procurement, for example by asking whether we need to buy it—a bit like reduce, reuse, recycle, the first thing to ask is whether we need to buy something at all. Therefore, that is embedded right from the beginning of the procurement process.

Assuming that we get through to the actual point of procurement, there is all sorts of guidance along the way. Alongside that, one of the things that we have found helpful in addressing your point about smaller organisations is the successful meet-the-buyer events that we run. One of the big challenges for smaller businesses is just being aware of procurement opportunities—smaller businesses do not necessarily have the departments that bigger companies have that look out for those opportunities.

We will continue with those initiatives and, again, if members know of particular businesses or others who are not finding or engaging with us, that is really good feedback for us. What we would do is bring them in informally. As you know, the procurement process gets rather formal rather quickly and that is not something that we can change. Therefore, we try to have informal front-ends so that businesses can come in to have

informal discussions with colleagues in either facilities management or procurement. Often, we can give them guidance on how best to pitch for the business.

We can also listen to them. A critical issue that is not easy to resolve is how to package up procurement. Obviously, there is always a drive to get better value for money and, as accountable officer, I have to do that and, sometimes, we do just get economies. On the other hand, we are absolutely committed to trying to give as many businesses as possible, especially small and medium-sized enterprises, an opportunity. There is a balance to strike, so we have structural decisions to make and we can do a lot to encourage businesses to get involved in that process.

We are finding that the procurement matrix, which is a government tool, puts a really helpful discipline on us as we go through the steps. It also tackles issues such as the living wage and others that come off the back of the Procurement Reform (Scotland) Act 2014.

That is our basic approach, but Victoria Barby might want to add a bit more to that.

**Victoria Barby:** We are looking at adopting a more circular economy approach for certain contracts. The audiovisual contract is a hiring-in system rather than purchasing, and we are also going to look at whether we can hire furniture rather than purchasing it and discarding it.

For the first time in our annual report, we have started to measure some of the environmental impacts that the supply chain is bringing in to the Parliament and how they are helping us to reduce our environmental impact. I hope that we can do a bit more of that and, perhaps, start considering measuring scope 3 emissions from procurement.

**The Convener:** We will now move on to adaptation and resilience.

**Alexander Burnett:** I have a couple of questions about the planning process when you make decisions. First, on climate change, what sort of evidence do you see of changing patterns in the past five years or so? How can you take into account future patterns, whether they might be more recent demands on air conditioning or the demands of winter and people travelling into the office?

My second and more general question is on cost benefit analysis. What budget allocations do you have for that? Is there a limit on value for money? Is it about achieving targets at all costs or offsetting elsewhere?

**Paul Grice:** I will take the final point first and invite Victoria Barby in later.

We always do a cost benefit analysis on any investment and, yes, there is a fixed amount of money, so we cannot go after targets at any cost. The phrase that is often bandied about is “low-hanging fruit” and obviously we want to do what will deliver the greatest benefits. Because we started early and we have, I hope, been energetic and vigorous in our approach, we have got through a lot of those low-hanging fruit and are starting to look at things such as self-generation of electricity. The committee will know better than I do that the return on, for example, photoelectric cells tends to be longer than it would be if we put LED lighting in the garage.

The way that I look at it is that we need a mix, so our programme of investment in environmental measures will have a mix. Some things will have a very rapid return, but we just have to accept that, subject to persuading the corporate body, some things will have a longer payback.

We need that mix, partly because if we are going to hit long-term targets, we need to make the investment, but also partly because I am conscious that the Parliament has a leadership role. We are dealing with public money, so we have to be thoughtful, but sometimes we need to be bold in order to demonstrate that things can be done.

At the end of the day, what we do is driven by the money that we have available. There is certainly more that we could do but, like every other organisation, we have to live within our means.

11:45

I am very keen on this area. For example, we have a 25-year maintenance plan that helps us to look past the normal planning horizon. The idea is to constantly look ahead to what is necessary and what is affordable. One thing that has helped us is that technology has changed. Often, things come down in cost or deliver greater effectiveness—again, as you know, lighting has changed out of all recognition over a short period of time. Revisiting such issues is a constant process. We have a portfolio of investment and a structure, with colleagues led by David McGill, who is sitting in the public gallery, which has responsibility for managing that process across the organisation. We always have a pipeline of projects coming forward.

Victoria Barby might want to pick up the first question.

**Victoria Barby:** On climate change adaptation, we have had training from Adaptation Scotland. Our environment and sustainability performance board received the initial training about adaptation, and we will move on to the next stages that are set

out in “Five steps to managing your climate risks—A Guide for Public Bodies in Scotland”. When we have worked through that, we will produce a climate change adaptation plan for the Parliament.

Our procurement process also includes sections about adaptation and about encouraging contractors and suppliers to ensure that they are building adaptation plans into their procurement processes.

**The Convener:** On resilience planning for significant events, have you had any engagement with the national resilience centre?

**Paul Grice:** Yes. We have a well-developed resilience planning process, and we feel that the work of the centre fits naturally with that. We work closely with the Government, the emergency services and others to learn lessons, and we are conscious of the expertise that exists out there. We also run exercises from time to time. All of that fits well into planning for eventualities that could disrupt business here.

Some technological changes are also important in that regard. For example, one of the greatest vulnerabilities for servers is water ingress. Most organisations put their servers in the basement, because that makes sense. However, that approach makes them vulnerable in terms of resilience—I note that you heard evidence earlier about greater and more concentrated rainfall. As a result of such issues, we are looking at storing more data in the cloud. That has a lot of benefits but one of the key ones is that it gives us more resilience. That will continue to be our approach.

**The Convener:** A number of members have questions on transport. We will start with David Stewart.

**David Stewart:** You will have gathered from the previous evidence-taking session that transport is a major source of emissions in Scotland—it accounts for around 28 per cent of emissions. Do you have a system for assessing the costs of climate emissions that are associated with staff commuting patterns? If so, what are you doing to try to reduce the emissions?

**Paul Grice:** There are two aspects to that: commuting to and from the place of work; and business travel, which mostly concerns committees visiting other areas.

You will be aware that we have a well-established system for committee travel. As you know, when you go out on evidence-taking sessions, the clerks support you in considering the most effective way to do that, taking into account environmental considerations.

The issue of commuting to and from work is a more recent addition to our strategy. We felt that we should begin with the things that we can

control within the building. Victoria Barby will correct me if I am wrong, but commuting concerns scope 3—that is, indirect—emissions. Many of the issues relate to behaviour. It is not for me as the chief executive to dictate how people get to and from the workplace, because that is something that they do in their own time. What we must do is persuade people and, hopefully, lead by example.

We have done a number of things. First, we provide excellent facilities—they have been recently upgraded—for people who want to cycle, walk, run or otherwise get here in a way that requires changing facilities. We have provided guided cycles into work; I benefited from one recently when I discovered cycle paths that I did not know existed, although I thought that I knew Edinburgh well. Victoria Barby told me the other day that we will also try guided walks to work. We are wrapping up such initiatives in a general plan that includes encouraging people to use public transport, helping them to understand public transport better and working with the City of Edinburgh Council.

We need to provide good choices for people. We should not dictate to them but encourage them, raise their awareness and make such choices attractive and easy. That ties in with the healthy living initiatives that we are looking at. Last year, we took part in a cycling to work competition, and I am pleased to say that we came top—I think that we got 15 per cent of colleagues cycling.

We use a range of forms of persuasion and encouragement and we provide good facilities. We are doing pretty well but, as with any behavioural change, a continuous process will be required. So far, I am encouraged by the results that we have had.

**David Stewart:** I know from experience that you have a strong home-working policy, which I presume has helped to reduce emissions dramatically.

**Paul Grice:** We support flexible working and the use of technology such as iPads and videoconferencing. Flexible working has huge benefits more broadly for the organisation in relation to effectiveness and morale, but you are right. That ties back to the convener’s point about resilience. A key bit of resilience planning is dealing with people not being able to get to work because of transport disruption. A flexible policy on where people can work from provides resilience, so there are benefits on all sides.

**David Stewart:** Aviation is a major source of emissions. Do you have a policy on staff flying in the UK when solid rail alternatives are available?

**Paul Grice:** We encourage the use of rail, but we cannot dictate. I am a great fan of using the sleeper if I am down in London, but that does not

suit everybody. Training it both ways—up and down—in a day is a lot of travel in a day. We encourage people to use an alternative to flying—principally the train—when it is available, but we are not at the point of telling people that there is only one way for them to travel. Our preferred option is that people look first and foremost at travelling by public transport, certainly in the UK, but I am not persuaded that we should tell people that they must travel in that way.

The first question to ask is whether people need to make the journey. If they need to do so, they should consider the best transport option. Ideally, we would expect people to travel by bus or train but, if they need to fly because the timeframe means that there is no other option, that is fine.

Sadly, flying is still often the cheapest option. We have got better at booking far in advance, but the sleeper, which is a great way to get to London, is still pretty pricey in comparison with an easyJet flight in the morning. I have encouraged staff to know that I will support their choice and that we will meet the cost.

**The Convener:** Other airlines also provide such services. [*Laughter.*]

**David Stewart:** You talked about asking whether a journey is necessary. How important is videoconferencing for the Parliament's staff? The committees are geared up for that as a way to reduce the need for witnesses to come to the Parliament.

**Paul Grice:** Videoconferencing is important. It is great that we are sitting in the room that is the premier videoconference suite for committees. I do not know whether members have had a chance to use the other videoconference suite, which we recently relocated from the ministerial tower to Queensberry house. I use videoconferencing quite a lot and find it a good way to have discussions and conduct business. Perhaps we could do more with it.

It is in the nature of a Parliament that a lot of people want to come to us, so we must strike a balance. That personal engagement is still important, but the first question is always, "Do I need to make that journey?" Videoconference technology is now well established. We all remember the days, a few years ago, when we would lose signal and things would break down, but it is now pretty robust. We have invested heavily in good videoconferencing facilities. I apply exactly the policy that you would expect of asking whether the journey is necessary. If it is—there are often lots of good reasons for having face-to-face contact—that is fine but, if not, we have good facilities throughout the Parliament. Those facilities are now integrated in all the digital meeting rooms.

**The Convener:** With respect, that is fine for that type of videoconferencing, but parliamentary committees generate a lot of travel miles through witnesses. Do we make any assessment of the travel patterns of the many witnesses who come to parliamentary committees? Bearing that in mind, could we do more to provide videoconferencing facilities in committee rooms for parliamentary committees to make use of during meetings?

**Paul Grice:** I will happily take that away and have a look at it. I would need to talk to the clerks who organise meetings to see whether we could do more. In terms of facilities in committee rooms, this room is the permanently adapted one and we also have mobile facilities. If there is any evidence that committees are being frustrated because of a lack of equipment, I will happily take that away. As I said, my sense is that, at the moment, the facilities meet demand, but I would not want a committee ever to feel that people who would prefer to use videoconferencing had to travel because we do not have enough facilities here. I am happy to take that point away.

**The Convener:** Is it not really about changing mindsets? There will always be people who want to come to Parliament to give their evidence, which is perfectly understandable but, especially as we are the environment committee, we could be more proactive in pushing the option of videoconferencing where appropriate—clearly, we could not have eight witnesses feeding into a committee at the same time by videoconference. It would be welcome if you would think about that issue.

**Paul Grice:** It is a really good point and I will happily take it away, if I may, and write back to you when I have had a look at it.

**The Convener:** That would be appreciated.

Kate Forbes and Emma Harper have further questions on transport.

**Kate Forbes:** To add to the question about videoconferencing, what, if anything, do you do to encourage the same good practice in constituency offices that you promote in the Parliament building? Skype for Business is great, but when an MSP is meeting bigger groups in their constituency office or trying to meet MSPs elsewhere—for example, in the Highlands—what facilities might there be to facilitate videoconferencing?

**Paul Grice:** I think that the answer is that some of the basic equipment that we give members supports a degree of videoconferencing. However, you raise an interesting line of thought, and I would rather take it away and come back to you with what we currently have. I will also take up your very fair question about what more we might do, especially for members living in areas where

the population is dispersed, to allow them to communicate. If I may, I will take that away and come back to you, not just on what we are doing but on what we might do in the current session.

**Emma Harper (South Scotland) (SNP):** My question is also on videoconferencing. The other committee that I am a member of is not keen on videoconferencing at all. Is it worth exploring a way to educate members on how far videoconferencing has come? It works great for the national health service and reduces travel miles. It might help some members if they had a wee demonstration of how well it works.

**Paul Grice:** I do not mean to be cheeky, but you are obviously in a great position to reassure others, member to member. However, you make a great point. A lot of folk are still thinking about what videoconferencing was like 10 years ago, when there was poor bandwidth. You are right that a lot of people probably got frustrated and have not gone back to it. I will talk about that to all the lead committee clerks, who are obviously the way in on the issue. I take your point that we should maybe just get people to try it. I have been involved in some videoconferencing sessions with six or seven people, and the convener is correct that it reaches a point where discussion just becomes impossible. However, particularly when one or two people are involved, it is very good. You are right that a lot of people may have preconceptions about videoconferencing, and your idea of a demonstration is excellent. There is also just speaking to colleagues to encourage them and tell them that it works.

12:00

I will pick that up with the committee clerks and suggest that they make that specific offer to all committees and invite any sceptical members to have a go—although perhaps not in a formal evidence session with a witness, where they might be a bit nervous about things not working. Members could, as Kate Forbes has suggested, get used to videoconferencing each other first in a more relaxed environment and thereby build up confidence. A lot of it is about members just worrying that the system will break, and we have to try to reassure people that although it is not perfect and although there is always a bit of a risk with technology things have moved on a long way.

As I have said, I will take that forward with the committee clerks and get them to encourage committees to have a go. After all, we cannot make them do it.

**Angus MacDonald:** The issue applies not just to committees but to cross-party groups. I am aware that support for such groups is not provided directly by the Scottish Parliament, but there was

an issue with the CPG on crofting in the previous session with regard to a request for videoconferencing facilities. Clearly by their very nature the CPGs on crofting and Gaelic rely on people travelling from the west and north-west Highlands and the Western Isles. Although it is not the Parliament's direct responsibility to provide such facilities at the moment, could the issue be looked at in future to help people who, although they might well want to travel to Edinburgh from, say, Stornoway, might also appreciate the provision of videoconferencing facilities?

**Paul Grice:** I understand the problem. The very important principle with cross-party groups is that they should be kept exactly as they are—as informal groups. If we make them part of the Parliament, they become a different thing; the Standards, Procedures and Public Appointments Committee has set very clear rules in that respect, and I have to operate very carefully within them. Even without those rules, however, I would personally be very reluctant to lose the essence of cross-party groups, which is that they are not formal committees of the Parliament. We need to be very careful about that.

However, it is not that we give the groups no support; we will, for example, set up a videoconferencing facility. However, what we will not do—and this is also a resourcing issue—is have broadcast staff on hand into the evening. We could sometimes improve communications between Parliament staff and the cross-party groups, but if we know that there is going to be a cross-party group meeting in this room at 6 or 7 o'clock tonight, we will come in and set it up. We are happy to provide that support, but we cannot have on hand the sort of technical support that, say, this committee gets when it meets.

I hope that that can be a bit of compromise that we work towards. I am well aware of the issue—indeed, I think that you and I might have spoken about it in the previous session, Mr MacDonald—and I absolutely understand and am sympathetic to it. However, we need to strike a balance, and I hope that the offer to set things up is a fair compromise to allow that to happen. As I have said, we cannot pay staff to stay into the evening to support those groups—that is both a practical and a principled point. Again, if any particular groups in which you are involved want to speak to us separately, I am very happy to facilitate discussions with the broadcasting team to ensure that we do as much as we possibly can within the rules.

**Angus MacDonald:** I appreciate that.

**The Convener:** I want to broaden things out by inviting members to ask any other questions that they might have. I will start off. We seem to have an enormous quantity of paper running through

this place, but it strikes me that very often it is not generated in here; indeed, we are doing some good work on reducing the amount of paper that we generate. However, we seem to get a lot from external sources. What is your take on that issue, and what thought have you given to how we might tackle it?

**Paul Grice:** We generate a lot of internal paper, it has to be said, but the move to digital meeting packs and the digital *Business Bulletin* has really helped, and we have a target for a further 25 per cent reduction this session. The approach has allowed us to deliver very substantial savings, too. That is what we can control, and a lot of that is about technology and how we behave.

You have raised a really interesting point about what happens externally. I was aware, from a conversation that I had with you, of the amount of unsolicited paper that comes in to members—to be honest, I had not really thought about that until you mentioned it. I will take that point away.

We need to strike a balance. I do not think that members would thank us for choking off material. Who is to say that that is not something that they want to read? Who is to say that they do not want to read it in paper format?

We might be able to survey members to find out their position. It could be that a relatively small number of organisations generate a lot of the paper. My approach would be to go to those organisations and say, “Why don’t you ask members how they want to receive your material?” I am very nervous about preventing—in any way—members from getting what people think that they need to see. That is the essence of your job.

**The Convener:** Absolutely.

**Paul Grice:** Why should organisations not survey members and ask whether they want material in hard copy, electronically or—dare I say it—not at all? [*Laughter.*] That is maybe pushing it a bit. However, that would at least allow the member to determine whether they still want to receive something in paper format. There are some documents that I still prefer to get in paper copy, but the point is really important and not one that I had thought about until you raised it.

I discussed the matter with Victoria Barby earlier, and I think that we might start by engaging with members more widely to get their take on the issue. If they support a change, we could help them to go back to organisations. The supply of paper copies contributes to our waste problem, even if we recycle that paper. We are all aware that recycling is fine, but that it is not as good as not having that paper in the first place.

I would want to go into the matter carefully and to try and take members with us, just to make sure

that we do not cross the line and prevent people from communicating with them. However, it sounds to me as though this is an area where we could help society and help ourselves to meet our own waste targets.

**The Convener:** Within that work, you could perhaps look at how other Parliaments have responded to the challenge. Presumably, our colleagues across Europe will have the same issues with the volume of paper.

**Paul Grice:** I will happily engage with them and see whether we can learn lessons. Indeed, if anyone else has cracked the problem, it would be great to know how they have done that. Again, I am more than happy to keep in touch with the committee about how we get on with that.

**The Convener:** That would be useful.

**Mark Ruskell:** As the Parliament starts to look more at indirect emissions, to what extent have you looked at pensions, particularly pension fund divestment from high-carbon fossil fuel investments?

**Paul Grice:** That is a contentious issue.

**Mark Ruskell:** Why is it contentious?

**Paul Grice:** I will come back to that. The starting point is that the pension fund is managed not by the Parliament, but by independent trustees, as it rightly should be. We are essentially in the position of the employer, so decisions on divestment—or on anything else—would be a matter for the pension fund trustees.

The matter is contentious because people can usually agree that some areas of investment raise ethical questions, but in my experience one can get into other areas—even fossil fuels—about which there is a degree of contention. That seems to me to be a matter of fact. We live in a Parliament in which there are very diverse views on such issues.

The other point is that all trustees face a challenge in striking a balance between their fiduciary duty to maximise the return to the fund and—of course—their view on what is a proper place to invest.

The formal position is quite clear. The members’ pension fund is the principal fund; SPCB staff are part of the civil service pension scheme, so there is not such a fund for them and, obviously, members’ staff pensions are more a matter for members. The fund is handled by fund trustees, the majority of whom are serving or former members of Parliament. I know that they are very aware of the issue, and that they take very seriously their duty to strike a balance between ethical investment—if I can use that phrase—and



the need to ensure that the fund is sufficient to meet the obligations on it.

**Mark Ruskell:** Are you aware that a lot of good practice is emerging within the public sector on the issue? For example, there has been divestment by pension funds that operate in Yorkshire. There has also been active consideration in respect of Falkirk council pension fund, which serves a number of local authorities in the central belt, about how it can invest more in social housing and less in high-carbon investments. The less contentious bit here is probably the high-carbon fossil fuels rather than North Sea oil and gas. There is good practice on which you can draw and perhaps look at. The Parliament is a significant employer, so you must have some link into the governance structure of those pension funds.

**Paul Grice:** Actually, no. One has to be very careful—as chief executive of the Parliament, that is my position. As members, you are not employed. You are unique. However, we act as the employer because we pay the employer contribution. However, there is a very strict and, in my view, very proper separation from the role of the employer. We have a vested interest in the level of contribution that we have to make, which is to do with the size of the scheme and the trustees of the scheme. You can speak to me afterwards about that. I am happy to write to the trustees with information that they may care to look at, but I need to be extremely careful not to cross the line and to try to tell them how to invest, because they have a strong legal duty, with which members will be familiar. I am conscious that David Stewart, having been a trustee, knows a lot more about the situation than I do. It is perfectly reasonable to draw the trustees' attention to good practice; I am happy to do so, but I have to allow them to make judgments based on all the circumstances. If you would like me to flag that up, I would be happy to convey the issue to the fund trustees.

**The Convener:** Given that you have namechecked David Stewart and he has indicated an interest in coming in, I will allow him to comment.

**David Stewart:** I will make just a couple of points. I am an ex-trustee, and I sat on the Scottish Parliamentary Corporate Body last session. I was, in effect, on the employer side, so I have seen the two sides of the matter. The issue that Mark Ruskell highlights was one that I raised in my time as a trustee, and he made some useful points.

The key technical issue is that the size of the fund means that it is still a managed fund, so Baillie Gifford makes the investment decisions. As the fund grows and develops, there is an argument for its becoming segregated, which

means that the trustees would have a more direct role in investment decisions. As Sir Paul has said, there is a clear legal duty to maximise the returns for each and every one of us here, and for our family members. There is therefore a tension, and I have looked closely at that issue.

It is fair to say that Baillie Gifford, which is an excellent company, is very conscious of the so-called ethical investment side of the matter. I know that the trustees have looked at the issue very carefully, and that questions cropped up at SPCB question time in the previous session of Parliament. I am sure that Mark Ruskell will seek to go down that route—SPCB question time is coming up soon. He has made a fair point, but there are technical constraints of which members should be aware.

**The Convener:** You suggest a potential alternative approach. Finlay Carson can go next.

**Finlay Carson:** Convener, I hope that you do not mind, but I will jump back to the general question.

You touched on the benefits of spend to save through the likes of the LED lights in the garage, but you also mentioned budget constraints. Are any projects that would result in a significant impact on our carbon footprint being restrained because of the budget within which you have to work?

**Paul Grice:** We could always spend more money—in that sense, we are limited.

I am hesitating, because I do not want to give you a misleading answer. We have a reasonable budget at present. There is good discipline in having a capped budget because it makes you really look at things.

I was talking earlier to Victoria Barby about such issues. There are some technical issues that I would like us to address—around heating, for example—in which we could, with greater investment, gain more efficiencies. However, those would involve quite chunky bits of investment—by which I mean that they would cost more than £100,000. We have to think very carefully about that sort of money. At present, there is nothing in the pipeline that we want to do that we think that we cannot fund. If we do not do something this year, we will tend to do it in a rolling programme. I think that we have a reasonable balance, at the moment.

I hope that David Stewart will not mind my saying so, but if I felt that if we were really falling down in budget terms, or in danger of missing the target, I think that I would get a sympathetic hearing at the SPCB and, ultimately, before Mr Stewart's colleagues on the Finance Committee. It is hard to get a public sector chief executive ever

to say that he has enough money; I am not saying that, but we have a reasonable budget. We have had a good programme of investment, and we should be able to achieve our aims, as we go forward.

The convener mentioned district heating, which is a really interesting area. I imagine that, at a decision-making point, that might need some pretty substantial investment. That would be the sort of issue for which we would not budget. If we hit that sort of issue, it would be a question of working up a business case and trying to persuade the corporate body in the first instance, and then the Finance Committee, to do it. Short of such issues, I think that we have enough resource to keep up a steady programme. The discipline of having to think hard about that programme is healthy.

12:15

**The Convener:** I will wrap things up. We have talked about the 2020 target and your confidence that you are on the right track to hit it, but Scotland has targets that go way beyond that. The Government has, I think, a target of achieving a 68 per cent cut in emissions from business, industry and the public sector by 2027. What work are you doing to look beyond 2020? Can you give us an idea of what targets you are considering for the period beyond 2020?

**Paul Grice:** The first thing to say is that we would be absolutely determined to hit those longer-term targets, too. We have always regarded 2020 as an interim point; it is not the end. We are well on track to meet the 2020 target, and we will exceed it if we can, but we see it as a stepping stone to the really significant targets that lie beyond it. We will meet those targets by continuing to work hard on behaviour. We have talked about transport and how the organisation uses it, and I think that all of us—I include myself—can do more.

As far as achieving a really big step change in the future is concerned, I come back to the point about investment. For example, if we are to generate more of our own electricity and to look seriously at how we generate heat and cool things down in the Parliament, there is no escaping the fact that some of those things will involve pretty significant capital investment. A combination of quite significant investments and continuing behaviour change will be required.

I am confident because we are on a really good trajectory. What encourages me is that we are making progress not just on one thing, but across virtually all the measures. That leads me to think that we have a broad-based approach. I am as

confident as I can be that we will hit the more demanding targets out past 2020.

**The Convener:** Thank you very much for your time. It has been an interesting exchange. There are a number of items that you said you would look at; we anticipate hearing from you on those, in due course. I would like to think that, in future years, we might be able to have a rerun of this opportunity to discuss Parliament's performance—in particular, as we look to the longer term. Thank you for attending.

At its next meeting on 20 September, the committee will take evidence on the Scottish Government's climate change targets from a range of stakeholders and academics. As agreed earlier, we now move into private session.

12:17

*Meeting continued in private until 12:53.*

This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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