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Criminal Justice Committee
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Dear Convener

CRIMINAL JUSTICE COMMITTEE PRE-BUDGET SCRUTINY – 2026-2027

I am writing to follow up on a couple of questions raised at the evidence session on 12 November.

Firstly, Mr Jamie Hepburn had requested information on the financial impact of the employer National Insurance Contribution (NIC) changes. As you will be aware the employer contribution rate increased from 13.8% to 15%, and the secondary threshold, the level at which employers begin paying NICs, reduced from £9,100 to £5,000. There are multiple moving parts when determining the exact impact of this change, such as pay settlements, workforce size etc. Taking varying factors into consideration, the overall impact is estimated to be £2.7m in 2026-27. The table below provides a breakdown of the impact of the NIC change on the different elements of pay that impact on the SCTS budget.

Element	£m
Salaried Staff	1.8
Salaried Judiciary	0.5
Tribunal Members	0.2
Facilities management	0.2
Total	2.7

At the conclusion of the meeting you requested detail on what SCTS is doing to reduce its carbon footprint and emissions, and whether we would require further resource to support this work.

SCTS [published](#) its Sustainability Strategy in April 2024. This identifies, as one of its four goals, our ambition “to continue our progress on the path to net zero direct emissions by 2045”. SCTS has already made substantial progress in this area – our total emissions have reduced by 54% since 2009-10. However, as the strategy recognises, there is a great deal more we can do, and we have a range of measures in place and planned to help us meet the strategy’s ambitions. For example, we:

- have invested in building energy management systems, metering, controls and sensors to collect data and optimise how our buildings operate. A platform currently being used (Grid Edge) makes use of machine learning to understand building performance in relation to internal and external environmental factors then learn and adapt. It identifies

inefficiencies allowing us to optimise building management and reduce energy consumption.

- continue to roll out LED lighting upgrades across the estate.
- have undertaken building fabric improvements, heating, cooling and ventilation improvements, and window upgrades (for example, the recent roll-out of highly efficient vacuum glazing at Edinburgh High Court).
- installed Solar photovoltaic panels on 10 buildings with additional projects earmarked for the Office the Public Guardian, Glasgow High Court and Glasgow Sheriff Court.
- opened more evidence by commission suites, which has helped to reduce the need for vulnerable witnesses to travel to court. The introduction of facilities to allow remote witness testimony (e.g. for police and expert witnesses) has also helped to reduce the need for them to travel to court.
- Converted our entire pool car fleet to electric vehicles.

More detail on SCTS activities to reduce emissions can be found in our Climate Change reports to the Sustainable Scotland Network, which can be found [here](#).

In terms of future activities, we are currently looking for opportunities to decarbonise our heating systems, by assessing opportunities for heat pumps and liaising with local authorities in relation to the development of heat networks. We are also working through our procurement function to identify sustainability improvements in our contractual arrangements, and we are surveying our own staff to understand their patterns of travel to see if there is more we can do to encourage sustainable travel behaviours.

Investment in our built estate will always carry with it a significant cost and practical challenges, particularly when you consider the historic nature of many of our court buildings around the country. We need to improve the fabric of our buildings not only to increase their energy efficiency but also to withstand the effects of the more extreme weather events caused by climate change. I would, however, also say that the potential to achieve further reductions in emissions may lie in changing practices and procedures, minimising the need to travel in particular.

As a final comment, I would say that each organisation in isolation can only do so much. It will be important to maximise the collaboration between organisations, given our inter-dependency, to ensure that we identify and deliver the changes we need.

I hope that the information provided acts as a helpful supplement to the evidence session.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Malcolm Graham', with a long horizontal flourish underneath.

Malcolm Graham
Chief Executive