

Correspondence from Environmental Standards Scotland, 8 September 2026

Dear Convener,

Thank you for providing Environmental Standards Scotland (ESS) with the opportunity to attend the Committee's meeting on 3 September 2026 and for your correspondence seeking an update and information on the three items set out below.

ESS' key financial challenges and considerations for 2027/28

ESS' sole source of income is its annual budget allocation received through Scottish Government. ESS' revenue budget for 2026/27 was £3.7 million. This is an increase on the funding for 2025/26 in recognition of our continuing core work and the expansion of our role to scrutinise:

- the Scottish Government's delivery against the new statutory biodiversity and nature restoration targets which will be set under the Natural Environment (Scotland) Act 2026
- local authorities' reporting against climate change duties as set out in the Climate Change (Scotland) Act 2009

ESS is staffed by civil servants and mirrors Scottish Government pay policy, which in turn sets out the process whereby staff progress through pay scales and receive pay awards. The dominance of staffing costs in the budget (75% of expenditure), coupled with the small staff complement (an estimated headcount of 46 by end of 2026/27), makes our budget sensitive to changes in staffing levels and salary increases of this nature.

The previous Scottish Government's last spending review set an indicative 2027/28 budget for ESS at £4.5 million. With the current no-redundancy policy and the recruitment of staff to deliver our expanded functions now nearing completion, there is limited flexibility for ESS to realise savings beyond that which it currently actively pursues, for example, operational efficiencies and sharing office space.

Schedule 1, paragraph 13 of the UK Withdrawal from the European Union (Continuity) (Scotland) Act 2021 sets out that: (1) The Scottish Ministers must seek to ensure that the amount of resources allocated for use by ESS is reasonably sufficient to enable it to perform its functions; (2) Each report prepared under paragraph 12 must include an assessment by ESS of whether the amount of resources allocated for use by it in the financial year to which the report relates was sufficient to enable it to perform its functions (ESS publishes its Annual Report and Accounts in October each year).

In addition, ESS [wrote to the Committee's predecessor](#) annually setting out whether the draft budget will enable ESS to carry out its duties according to the requirements

the 2021 Act. We propose that we continue to adopt this approach with the Committee going forward.

ESS' views on public service reform ambitions for scrutiny bodies

As a statutory body established in legislation, ESS must remain focused on its core function of ensuring that Scotland's people and nature benefit from a high-quality, healthy environment through improved compliance with, and better implementation of, effective environmental law.

It is not for ESS to comment on wider organisational structures, whether that ultimately results in a single environmental body, the retention of the current arrangements or some other configuration. However, we recognise that any restructuring process is likely to place significant pressure on the organisations involved. We are mindful that the bodies we scrutinise will be managing a period of transition and may not be operating on a business-as-usual basis, at least in the short-term.

For context, ESS has open cases and ongoing work that requires action from the bodies affected by the proposed merger as set out below:

Scottish Environment Protection Agency (SEPA)

- the Storm Overflow report, where we continue to oversee progress in implementing our recommendations,
- a range of cases arising from representations relating to different aspects of water quality
- informal resolution on incineration overcapacity, where we are monitoring SEPA's and the Scottish Government's implementation of our recommendations

NatureScot:

- work on invasive non-native species, which may require further action, depending on the response of the Scottish Government
- the Special Protection Areas (SPA) investigation, where we are monitoring NatureScot's and the Scottish Government's implementation of our recommendations
- work developing our scrutiny process for the new statutory nature recovery targets, where NatureScot are responsible for monitoring and reporting against a range of indicators as well as providing evidence and advice to the Scottish Government in this area

Open and constructive dialogue will be essential throughout this process. We are committed to our continued close engagement with these bodies to ensure they

remain aware of, and continue to meet, the obligations and commitments arising from our work.

ESS' update on our reports related to Invasive Non-Native Species and Scotland's seafloor integrity

We are happy to keep the Committee informed about the Scottish Government's response to our analytical reports on Invasive Non-Native Species (INNS) and Seafloor Integrity.

As I noted at the evidence session, the Cabinet Secretary has written to ESS indicating her willingness to work with us to agree an appropriate action plan for both the [INNS](#) and the [seafloor](#) reports.

Subsequently, ESS has had positive early engagement with Scottish Government officials and will continue to meet with them over the coming months to agree a remedial action plan. Once this process has concluded the details will be published on our website and we will ensure that the Committee is kept informed of the outcome.

Yours faithfully

Dr Richard Dixon

Chair