

TRANSPORT, INFRASTRUCTURE AND CLIMATE CHANGE COMMITTEE

Tuesday 5 May 2009

Session 3

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TRANSPORT, INFRASTRUCTURE AND CLIMATE CHANGE COMMITTEE

† 12th Meeting 2009, Session 3

CONVENER

*Patrick Harvie (Glasgow) (Green)

DEPUTY CONVENER

*Cathy Peattie (Falkirk East) (Lab)

COMMITTEE MEMBERS

*Rob Gibson (Highlands and Islands) (SNP)
Charlie Gordon (Glasgow Cathcart) (Lab)
*Alex Johnstone (North East Scotland) (Con)
*Alison McInnes (North East Scotland) (LD)
*Des McNulty (Clydebank and Milngavie) (Lab)
*Shirley-Anne Somerville (Lothians) (SNP)

COMMITTEE SUBSTITUTES

Alasdair Allan (Western Isles) (SNP)
Gavin Brown (Lothians) (Con)
David Stewart (Highlands and Islands) (Lab)
Jim Tolson (Dunfermline West) (LD)

*attended

THE FOLLOWING GAVE EVIDENCE:

Phil Matthews (Sustainable Development Commission Scotland)
Maf Smith (Sustainable Development Commission Scotland)

CLERK TO THE COMMITTEE

Steve Farrell

SENIOR ASSISTANT CLERK

Alastair Macfie

ASSISTANT CLERK

Clare O'Neill

LOCATION

Committee Room 2

† 11th Meeting 2009, Session 3—held in private.

Scottish Parliament

Transport, Infrastructure and Climate Change Committee

Tuesday 5 May 2009

[THE CONVENER opened the meeting at 14:00]

Subordinate Legislation

Public Service Vehicles (Registration of Local Services) (Scotland) Amendment Regulations 2009 (SSI 2009/151)

The Convener (Patrick Harvie): Good afternoon. Welcome to the 12th meeting this year of the Transport, Infrastructure and Climate Change Committee. I remind everybody that mobile devices should be switched off. We have received apologies from Charlie Gordon.

We have two agenda items, the first of which is our consideration of subordinate legislation. The Subordinate Legislation Committee had no comments to make on the instrument, and no motions to annul have been received. Are we agreed that we do not wish to make any recommendation in relation to the regulations?

Alex Johnstone (North East Scotland) (Con): I have no comment on the instrument, which is necessary in many ways, but there is an emerging trend in the instruments that come before us: the charges that the Government levies are increasing at a rate that is significantly higher than the rate of inflation. The instrument before us is one case in point. Given the current state of the economy, in the not-too-distant future the Government should look seriously at its charging regimes and consider its contribution to the economic difficulties that businesses in Scotland are facing. That said, I have no objection to the passage of the instrument.

The Convener: It is a fair point. At a later stage, the committee may wish to consider taking up the issue in writing with ministers. In the meantime, the question is, are we agreed that we do not wish to make any recommendation in relation to the regulations?

Members indicated agreement.

Sustainable Development

14:02

The Convener: Our main item of business today is an evidence session with the Sustainable Development Commission Scotland. Joining us are Maf Smith, its director, and Phil Matthews, its senior policy adviser. I welcome them to committee again.

Our first questions are on the role of the SDC. What is the reason for the SDC's existence? How have its relationships with the Scottish Government and United Kingdom Government developed over time? What variation, if any, is there between the relationships with the two Governments?

Maf Smith (Sustainable Development Commission Scotland): We are a UK non-departmental public body that reports directly to each of the four Governments. We have an office in each of the four administrations. I lead the office in Scotland, which has two commissioners. The Scottish Government gave us our remit, and we report directly to the First Minister in providing sustainable development scrutiny and advisory services.

Under the previous Administration, our role was to consider and scrutinise the delivery of its sustainable development strategy, and that work has continued under the current Government. Essentially, our role is to review progress of sustainable development. In line with our discussions and agreements with Government, sustainable development should accord with the sustainable element of sustainable economic growth. Our scrutiny review of progress is made towards that goal.

The Convener: Do your relationships with the two Governments vary? Have they changed over time?

Maf Smith: In how the SDC perceives them?

The Convener: Yes.

Maf Smith: We have a different relationship with each of the four Governments and different tasks under each Administration. For example, we have a scrutiny role in Scotland and an equivalent watchdog role for the UK Government but no similar role in Wales or Northern Ireland. As a result, the work for each of the four Governments is different. In Scotland, we have developed a good and strong relationship with the Government that gives us open access. There is an understanding across Government of our relationship and the need for our scrutiny role. We consider our role to be important; the Scottish Government also recognises its importance.

The Convener: How effective has the relationship been? How has the SDC brought that sustainable development scrutiny to bear on the Scottish Government? What impact has there been on its performance, legislative programme or indicators of success?

Maf Smith: There are two sides to that. In our scrutiny role, we track the Government's delivery based on its performance figures. We do not do our own research into progress; we use the set of indicators that the Government provides. We can provide commentary and identify areas in which improvement is needed.

Success comes out of our advisory role. After our scrutiny work, we engage with Government through our advice work. We do not sit on the sidelines and throw things into the ring; we try to get involved and consider problems. We were actively involved in discussions with civil servants on the development of the Climate Change (Scotland) Bill, for example on scrutiny arrangements and how duties are managed. Success can be achieved by giving advice as things develop, which is often done behind the scenes. We help to bring a wider understanding of sustainable development to civil service thinking and delivery.

The Convener: In general, are you satisfied with the Government's response to the SDC's recommendations, analyses and critiques? Can we be satisfied that in general your recommendations are implemented? We will talk about specifics later.

Maf Smith: The overall response is positive, in that the Government recognises that Scotland has further to travel on its journey towards sustainable development, but we are frustrated by the scale of work and the pace of change in Government. There is a significant mismatch in that regard—that was a key theme of our second assessment. Although many Government commitments, policies and frameworks acknowledge and try to tackle the issue, we do not think that the gap is narrowing quickly.

It is worth saying that the second assessment is one of a series and that we are starting the third assessment, in which we will focus on tracking progress on the key recommendations and challenges that we identified for the Government. That work will lead to a fourth assessment, which will be published towards the end of next year, in which we will consider the Government's performance during its term of office.

The assessments are part of a series: we identified key challenges and we will track progress on them so that by the time we do the fourth assessment we will be more certain about what is happening and more able to make clear

recommendations and have clear measurements of the progress that has been made. If the Government acknowledges that there is a mismatch and a challenge, we need to monitor and report on whether it is successful in reducing the mismatch. If we do not do that, Scotland cannot be judged to be more or less sustainable.

The Convener: You mentioned the SDC's interaction with the civil service. Is there also regular interaction at Cabinet level? What is the nature of such interaction?

Maf Smith: There is regular interaction, the nature of which depends on the issue. For example, last week we met Richard Lochhead, the Cabinet Secretary for Rural Affairs and the Environment, to talk about a range of issues, including our recent report "Prosperity without growth? The transition to a sustainable economy". We also talked about our second assessment and the progress of discussions with the Government on issues that we highlighted, and we outlined the next steps in the third assessment. We have good access to cabinet secretaries, so we can provide information to Cabinet when we need to do so.

The Convener: The SDC runs two programmes on behalf of Government: it provides the secretariat to the Scottish sustainable development forum and it co-ordinates the climate challenge fund. Is there a conflict between your roles? Does carrying out programmes on behalf of Government impinge on your ability to criticise or challenge its actions?

Maf Smith: No, we do not believe so. In setting up that work, we have been very clear that it should not impinge on our ability to challenge. We have been very clear with the Government about the separation of our roles, both of which are important because they help to feed information back to the Government to strengthen policy making and delivery.

The SSDF is an important member body that has members throughout Scotland who debate and discuss sustainable development issues. What is learned from those organisations is often fed back into Government. Our role in the SSDF is as the facilitator of meetings. The SSDF's decision making is carried out by a steering group that is elected by the membership.

Our role in the climate challenge fund is to manage the supporting alliance of organisations that are not themselves active in communities—they do not bid for, or receive, Government money—but have expertise that could benefit or assist communities. Essentially, we have a match-making role that tries to put different groups in touch with communities that need their expertise. That helps to facilitate action on climate change, but it also gives us access to learning about those

schemes. We can see how schemes are going and help to share learning about what works in community-led action on climate change. That gives us expertise that helps to strengthen our wider work.

Alex Johnstone: In the dim and distant past, “sustainable economic growth” simply meant growth that could be sustained year on year. Obviously, the term now has a different meaning. What do you mean by sustainable economic growth?

Maf Smith: In our assessment, we said that the Government’s overall purpose of sustainable economic growth could be compatible with sustainable development but there are clear tensions so the issue depends on how the Government delivers on that purpose. The Government has recognised those tensions. For us, sustainable development—by which we would measure sustainable economic growth—is about a society that lives within its environmental limits and tackles social inequities. Those two objectives are achieved through using three tools: economic growth, sound science and good governance.

The Government has described sustainable development by focusing on sustainable economic growth. In our assessment, we highlighted an issue with the Government’s delivery framework, which consists of the economic strategy and the national performance framework. We supported the effort to put that in place, but we felt that there was a problem with how the Government shorthands its purpose as sustainable economic growth when its purpose is actually wider than that. Its purpose is to see Scotland flourish through providing opportunities for all, whereas sustainable economic growth is just the means to do that. The danger of focusing on the means rather than on where we want to get to is that the Government could lose sight of how it knows whether Scotland is flourishing.

Alex Johnstone: Does the Scottish Government agree with your interpretation of sustainable economic growth, or is there a difference of opinion?

Maf Smith: It is worth mentioning that we forwarded our recent UK report “Prosperity without growth?” to the Scottish Government. In response, the Scottish Government said that it believes that it is meeting the challenges and that it is aware of the environmental limits and social inequalities. It must be said that we are not so sure. From the indicators that have been set, it is clear that Scotland is not living within its environmental limits and has not yet tackled long-standing inequalities. Although economic growth can bring benefits, there are clear downsides to it and, if we do not tackle them head on, Scotland cannot be judged to be sustainable. The performance framework

recognises that and is clear about the tensions, but a large-scale shift is needed if those tensions are to be tackled. We do not see that level of intervention and change.

Alex Johnstone: Under your definition, is the Government moving closer to or further away from sustainability?

Maf Smith: In many respects, it is too early to tell. The latest data that we had for our second assessment were on Scottish performance one year in. It is too early to tell whether, as a result of a new Government focus and direction, some of the indicator sets will shift in a positive way. We will track that across the second, third and fourth assessments.

14:15

Alex Johnstone: Do you feel that the Government can appropriately reconcile the competing demands of the requirement for economic growth and its commitment to sustainability?

Maf Smith: Yes, if it is honest and up front about the tensions and challenges. In the report, we identify that that means that the Government must be clear about what it does not do. Governments like to focus attention on what they are doing, but Governments are always making decisions to not do things, too. Limited resources are key in that regard.

If the Government wants to reach its target of an 80 per cent reduction in carbon emissions, which is a major step towards Scotland living within its environmental limits, it will have to decide not to do certain things or to do things differently. The complexity around how the Government has to make such decisions has not been brought out into the open: it does not seem to be evident in the internal discussions about what Government should or should not do.

Alex Johnstone: Do you feel that you have the ability to assist Government rather more as time goes by?

Maf Smith: We hope so, yes. Devices such as the carbon balance sheet and carbon assessment tools are helpful, but they will not solve the issue by themselves. The tools provide information for the Government, and we see our role as helping the Government to decide how to act once it has that information.

Cathy Peattie (Falkirk East) (Lab): I am interested in indicators and the criteria around them. You spoke about ensuring that the right tools are available. How will we know whether the Government has the tools to be able to take things forward? How can you monitor whether it is doing that?

Phil Matthews (Sustainable Development Commission Scotland): As Maf Smith said, we do not do our own independent monitoring, but we have appraised the Government's indicators in the national performance framework. Our analysis is set out in our second assessment.

We feel that the framework and the basket of indicators are much clearer than what was previously present at the heart of Government. Some important issues are not reflected in the indicator set, particularly around fuel poverty, water quality and so on, but we recognise that it is difficult to include everything in what is a clearly defined set. Further, we feel that some of the indicators are not SMART—specific, measurable, attainable, realistic and time-based—as they do not necessarily tell us what we need to know. For example, the transport indicators examine the modal split but do not say whether the overall number of journeys by cars is going down, which is the nub of the issue.

We also feel that some of the targets are not ambitious. For example, the child obesity target is to slow the rate of increase by 2018. That might be a sad reflection on where we are with regard to our food culture, but we do not think that that target is ambitious enough, given the scale of the obesity and health challenge that we face.

The Convener: You seem to be describing two different approaches, and I am not sure which one you are saying that the Government is taking. On one hand, your report argues that the Government needs to define more clearly how the sustainability of growth is going to be measured. You have said that some encouraging progress is being made but that it needs to be more substantial. On the other hand, “Prosperity without growth?” presupposes not that there should be no growth but that we should regard other aspects of life, such as health and so on, as more important. Those approaches seem to me to be different, as one measures the sustainability of growth and one focuses on different priorities. Which of them is the Government taking, and is it the right one?

Maf Smith: The Government's approach is mixed, and we identified some confusion on its part. That relates to what I said earlier about Government's purpose. We believe that the important part of the Government's purpose is to create opportunities for all of Scotland to flourish, and the way in which it has chosen to do that is through sustainable economic growth. The national performance framework, therefore, is measuring whether Scotland is flourishing. “Flourishing” is obviously a qualitative term, so it needs to be nailed down, and the Government attempts to do that via a range of indicators.

We think that there is a danger that the Government could focus on sustainable economic

growth as the thing that it wants rather than the tool that it wants to use. In the current global economic turmoil, if Scotland cannot have growth because of issues outwith the control of the Scottish Government, how best can it provide opportunities to progress?

“Prosperity without growth?” says that we know that growth as it is currently structured is unsustainable, in that it produces significant environmental impacts that are creating problems for us; that not enough has been done to tackle social inequality within and between countries but that the alternative—no growth or de-growth—is unstable; and that Government must therefore resolve the problem of the balance between those two sides.

Resolving that balance will involve macroeconomic levers, which means that it is primarily a question for the UK Government as it involves the way in which Government finances are structured, but it will also involve how Government chooses to make changes to the policy levers that it has—and the Scottish Government can do a lot in that regard. The Climate Change (Scotland) Bill is a good example, as it quantitatively describes the environmental limits in which Scotland must live with regard to greenhouse gas emissions. That is important and worth while, but the Scottish Government must also show how that concern tracks through its decision making. We have yet to see that, partly because it concerns a new approach that we are all embarking on but also because the message that the limits are real and physical and need to be dealt with now has not got through to Government sufficiently.

The Convener: “Prosperity without growth?” argues that the amount of decoupling that would be required to meet those long-term climate change objectives while making growth sustainable is absolute. We will need not only to stop each unit of economic activity contributing to climate change but to ensure that each unit of economic activity takes carbon out of the system. Is that feasible?

Maf Smith: It is technically feasible, but it is a huge stretch and a long way from where we are now. The issue about decoupling is that the proponents of the role of economic growth as currently structured argue that we can become more efficient at taking carbon out of the system, so that, for every unit of growth, we have less of an impact. However, there is limited evidence that that is happening: the report considered resource commodities and the resource use per unit of economic growth and found that, in many respects, there is increasing intensification rather than decoupling.

Our economy—that is, our international economy—is still structured around resource use. Although there can be a degree of decoupling because of factors such as the fact that appliances are now more efficient, the fact that we have more appliances and use them more often undermines that. Such factors work against our ability to decouple so, unless we tackle some wider issues in our economy, we will not decouple, which means that the problem will increase and become more difficult to deal with.

The Convener: Will you outline the five thematic challenges for Government that are discussed in the second review? We have talked a little about the recommendations that you follow up on in your second report. How did your assessment of the Government's progress lead you to those five challenges? Under each of those headings, where is progress needed most urgently in the short and medium term?

Phil Matthews: The first of the five challenges is the one that we have just been discussing, which is the perceived tension between growth based on gross domestic product and the Government's social and environmental objectives. The second key area in which we think action is needed is in the development of an effective climate change bill. Obviously, this committee has been heavily involved in considering the Climate Change (Scotland) Bill in recent months.

The third challenge is fuel poverty, which is an issue of massive importance in Scotland and one in which there are clear economic, social and environmental benefits to action. However, we feel that we are nowhere near meeting the Government's targets on the elimination of fuel poverty.

The fourth challenge is infrastructure. If we are serious about addressing climate change and creating sustainable communities, we need a much more effective and integrated approach to planning and infrastructure investment in Scotland.

The fifth area is the power of the Government to spend. The public sector in Scotland spends £8 billion a year on goods and services, and there is potential for significant pressure to encourage organisations to move towards sustainability. We would like to see much more action on that.

Those are the five challenges. You also asked how we arrived at them. The report is very wide ranging, and we considered all the policy areas and indicators. Our conclusions were essentially driven by our analysis of the current political situation and what the indicators told us about the crunch issues for Scotland.

The Convener: Are you looking for progress on any specific issues under each of those headings?

Maf Smith: A lot has happened since our report was published. The Climate Change (Scotland) Bill has been published and the stage 1 process is complete. One of the key aspects that we identified, which follows the United Kingdom Committee on Climate Change recommendations, was the need to set a clear interim target, and a large target by 2020. We are pleased that there is movement on that, certainly in terms of the political debate and the debate in this committee. That issue is clearly recognised, and—like the committee, I am sure—we are waiting to see how the Government responds.

We would also like a clear delivery framework from the Scottish Government on the Climate Change (Scotland) Bill. We have been discussing with the Government ways in which that can take place, for example through a duty on public bodies, and how such a duty could effectively be framed so that it is workable. Another example is the use of the carbon assessment and carbon balance sheet tools. We have been asking the Government not just when those tools will be published and what their structure will be, but how it intends to use them.

We want clarity on how Government intends to achieve the delivery of the legislation—what its policy options are. Work is on-going on that, but it is important that that is published quickly, and that there is proper engagement with a wide range of stakeholders, so that people can put in their views and test the Government's assumptions.

On fuel poverty, things have happened since we published our assessment. The Scottish Government has published its energy assistance package, which is a new way of dealing with fuel poverty, following the recommendations of the fuel poverty forum. We have welcomed that. We feel that the new structure is positive, in that it will target people in fuel poverty better and provide them with different levels of help.

However, although we have not done the analysis—we want to do that before the third assessment—we are not convinced that the level of support and intervention by the Government is sufficient to meet the 2016 target to eradicate fuel poverty in Scotland. There is better organisation of the fuel poverty programmes and there is additional funding, but we are concerned that there is still a gap. We have asked the Government for its view about that gap. It wants to review the new programmes and actions, but it cannot say whether the gap will be closed by the new programmes. We want to review that ourselves.

14:30

With regard to infrastructure, the major issue is planning, as Phil Matthews has pointed out. We have already given evidence to the committee on the national planning framework, but we are still concerned about the national and local delivery of planning and the decisions that take place on the ground. We do not think that, cumulatively, they accord with the principles of sustainable development that sit within national planning policies, and there is a question over how single outcome agreements and the Government structure can deliver them more effectively.

The Government is working on public sector procurement, but we are frustrated that the sustainable procurement action plan is now heavily delayed. We have been ready to engage with the Government on the action plan when it is published and to submit our views on how to deliver it and how to look for quick wins, but we have been unable to do so. We would like the Government to publish the action plan quickly because, until that happens, the wider procurement reforms that have been introduced to help the co-ordination of procurement are not subject to any guiding documents or principles that can be used by procurement officers on the ground. As a result, the situation is patchy, with some procurement officers trying to ensure that sustainable development is covered in procurement decisions but others not doing so. Because we have no policy that people can refer to, there is simply no consistency, and no drive from the Scottish Government.

Cathy Peattie: We have been discussing public duties with regard to procurement, fuel poverty and many other matters. What wider discussions have you had on such duties and on how we can encourage Government and local government to take on issues such as fuel poverty?

Phil Matthews: Although we are not part of Audit Scotland, we sit within its offices and feel that the audit function is very important in appraising public sector performance. We are having discussions with Audit Scotland; indeed, I sat in on an audit of sustainable development in a local authority and afterwards engaged with and gave feedback to the auditors. More recently, with the extension to all public sector bodies of the best-value duty, which includes sustainable development, we have discussed with Audit Scotland colleagues how we can most effectively frame and deliver on that duty and report on it in the organisation's audit reports.

Cathy Peattie: So Audit Scotland's audit work is vital in this respect.

Phil Matthews: Yes. Sustainable development has to be underpinned by duties, which is one of

the reasons why we support the introduction of the climate change duty. However, interpretation is also important. Although sustainable development is clearly written into the supporting legislation for the best-value duty, so far there has been no radical change in the way in which local authorities and other public bodies deliver services sustainably. It is a combination of underpinning practice and engaging with the audit process.

Maf Smith: With the possible public duty in the Climate Change (Scotland) Bill, Audit Scotland will have to look not only at how public bodies deliver in that respect but at the financial value associated with best value. Alongside that, the Scottish Government will be asking bodies to help it to deliver on its targets. Given that financial value is one of the considerations, someone will have to decide where the balance lies between spending more to decrease carbon emissions and spending less but increasing them. We feel that that should be decided by the Auditor General and Audit Scotland in their reports to Parliament and Government. After all, public bodies cannot be told two different things. We have to find some way of dealing with that.

The carbon assessment route that the Government is considering should help in that respect by giving us two quantitative forms of data—financial and carbon data—that can be compared and can be used both in policy and in the delivery of services by public bodies and local authorities. Audit Scotland will sit at the top of all that work, deciding on the progress of those groups.

Quite a lot of work therefore has to be done to establish a clear reporting framework if a public duty that is set in the bill is going to be workable. Eventually, that can be reported back to the Parliament for consistency, so that everyone understands what must be done by whom and by when.

Cathy Peattie: That is helpful. Thank you.

Rob Gibson (Highlands and Islands) (SNP): In your review of the recommendations in the first assessment, you highlight the huge scale of the challenge that we face in moving Scotland to a sustainable economy and the fact that the current rate of progress is insufficient. You have explained some of that just now. I would like to focus on the problems that we face in supporting sustainable energy and meeting fuel poverty needs. There can be contradictions as well as win-wins from renewable energy, in particular. How should the Government try to bring those two policy objectives together?

Maf Smith: There are contradictions. If we look at future energy challenges, we are not looking at scenarios in which the cost of energy is falling,

because of increasing commodity costs—say, for gas and oil, but also the relative costs of renewables, particularly offshore renewables. In the short and medium term, offshore wind, wave and tidal energies are expensive technologies, although the costs will fall as we get better at them, as we learn and as the penetration of the market increases. There is a clear benefit in the development and use of those technologies, but that has costs for Scotland.

The traditional way of funding most of the development of renewables has been through our bills—through the obligations, the costs of which fall on the energy bill payers. If someone is in fuel poverty, any increase in their bills is problematic. The situation is similar for carbon capture and storage. The UK Government proposes that the costs of financing a new generation of test plants on a commercial scale will be met by an obligation. Such things put pressure on bill payers and the vulnerable.

A lot more can be done, however, to reduce energy demand. When we conducted our review, the figures suggested that almost a third of Scottish households were in fuel poverty. We expect that figure to have fallen because, although relative incomes may be falling, the cost of fuel has fallen. Nonetheless, there will still be a significant level of fuel poverty, which we expect to be higher than a quarter of the population.

Most of the work that was being done on a UK basis to tackle fuel poverty was trying to reduce the unit cost of energy. The Office of Gas and Electricity Markets was set up to increase competition and to encourage switching so that consumers would get energy at a better price. It has had some benefit in that switching has increased competition, but that competition has produced the lowest price that we are going to get. The utilities can give a consumer only so many better offers before they reach the best offer.

Not enough attention was given to helping people to increase the energy efficiency of their houses. There are long-term problems with that, and there is an historical lack of investment. The Government now wants to do something on that, and there are UK and Scottish Government programmes. More work needs to be done to ensure that the two programmes fit together, as energy efficiency is a confusing policy arena regarding what is reserved and what is devolved. We do not want the schemes to work against each other or to ignore each other. Work is under way, but we need more clarity from the two Governments about how the two sets of schemes work.

Equally, we need a clearer statement from the Scottish Government about what it is going to do in its energy efficiency action plan, which has been

delayed but is expected to be published at the end of the year. It is not that the Scottish Government is not doing anything on energy efficiency. However, we are seeing individual announcements of policies or initiatives but not the overall framework that would give us an idea of the overall investment, how the different policy instruments fit together and what result they will have through increasing energy efficiency. Without knowing the increase in energy efficiency in the overall housing stock, we cannot know the impact of those policies on, and their benefit to, the quarter of householders who are in fuel poverty. If we do not tackle energy inefficiency, whatever the unit cost of energy is, we will still be in a problematic situation.

Rob Gibson: It is a complex subject. Energy efficiency is high on the list of things that could be done straightforwardly. I note that you say in your review of recommendations to the Government that the Council of Economic Advisers

“has not considered the sustainability of economic growth in great detail.”

Would you recommend that the council should consider energy and fuel poverty together? Is that something that you could comment on in the near future?

Maf Smith: Yes. We will write to the Council of Economic Advisers with our latest report—“Prosperity without growth? The transition to a sustainable economy”—highlighting the key aspects that we think are relevant to the council’s remit. On the economic tensions between fuel poverty as a cost and the energy generation opportunity, those two areas must be brought together and there must be clarity—that would be worth doing.

Des McNulty (Clydebank and Milngavie) (Lab): It strikes me that much of the “Five Challenges for Government” section in your review of progress by the Scottish Government is about process. You talk about what progress has been made in improving the processes, clarifying them and setting a timetable for implementation. Our report on the Climate Change (Scotland) Bill focused on the lack of push for early action; it was not just about the process of early action but about the lack of substance in early action. Did you feel that it was inappropriate for you to start talking about that? Given that your report is supposed to be a review of progress by the Scottish Government, that seems a big omission. I would have thought that it would have figured in the list of challenges.

Maf Smith: It is partly about the timing of our second assessment and where the Government was in its programme at that point. We focused on processes and the structure of the Government

because how Government is organised is important for its ability to respond to, and deal with, the challenges that it faces. Given that the current Government's organisation is very different from that of the previous Administration, we thought that it was important to look at that.

Des McNulty: In what way is it different?

Maf Smith: The performance framework is new, as is the move towards a set of indicators and outcomes, and the removal of departments in the Government. Those aspects have the potential to change, for good or bad, the way in which Government operates, so we wanted to review whether they would help the Government's work.

There is international best practice for the governance of sustainable development. As we did with the previous Administration, we reviewed the Government's strategy and framework against that best practice. However, we are more interested in progress than in process. We gave initial views on some of the issues and directions, but we will return to those in the third and fourth assessments and track what progress has been made. For example, we will be able to track from the indicators whether things are moving more quickly. Some indicators are already going in the right direction, but we would like their progress to be accelerated, whereas we would like the negative trends to be slowed and reversed. The third and fourth reviews will therefore focus on those aspects. We look forward to providing the committee with further information when those reviews are published, to clarify what Government has done and what difference it has made.

Des McNulty: I do not want to be picky, but you say that you are reviewing progress and identifying challenges for the Government. The first challenge in your list of five challenges is that the Government should articulate what it is doing. The second challenge is for the Government to deliver the Climate Change (Scotland) Bill—worthy though that might be, it does not necessarily deliver any action. The third challenge is to “recognise” the scale of the fuel poverty problem. Somebody could say to you, “Well, I thought that you were supposed to be measuring progress on sustainability rather than the arrangement of the deckchairs around Government achieving progress towards sustainability.” It seems to me that too much of your review is about the mechanics of government and policy making—who consults whom and all that stuff—and not enough of it is about examining what is happening.

14:45

Maf Smith: We made our third recommendation, on fuel poverty, because the Government was due to report soon after we

finalised our review and we knew that we would need to review what it had said. We knew that it was making progress, but we were concerned that it was not doing enough. That is why we were not able to make specific recommendations. Our third recommendation amounts to a commitment to follow through on fuel poverty and further review progress.

As regards action on climate change, we recognise and welcome the Government's introduction of the Climate Change (Scotland) Bill. That is an important step, but we wanted the Government to provide more clarity on what it was doing. When we talk about a framework, we mean that we want to know what proposals the Government will develop and what policies it will adopt.

We have reviewed progress on the indicators that relate to climate change and said that it is insufficient. Between 1990 and 2005, the data show an average reduction of 1 per cent a year in carbon emissions. The Government needs to achieve an annual reduction of at least 3 per cent. There is a clear mismatch between what the Government has set out to do in its bill and what has been achieved historically in Scotland. As we say in our assessment, we cannot see the actions that will lead to such a step change and which will take us from achieving an average reduction of 1 per cent a year to achieving one of at least 3 per cent a year. We are challenging Government on that and examining action that it can take.

Des McNulty: You say that a lot of the debate is about the process in the Government. You also say that you can see from the science that a 3 per cent annual cut in carbon emissions is needed. That leaves a big area in the middle—what practical measures are being taken? The same point could apply to any Government. Do you not view your role as being to identify what progress has been made in policy on, say, the four areas that are identified in the committee's report—energy efficiency, energy generation, transport and land use? That would enable you to identify the challenges in a fairly concrete way. It seems to me that the challenges that you identify are all about process—they are about technicalities to do with how the Government works rather than about what the Government is delivering.

Phil Matthews: I will add to what Maf Smith said. The report that we are discussing is our second assessment, but it is our first assessment of the current Administration. Given the lead time to publication, it focuses on the first nine months to one year of the Administration's work. At that stage, it was hard to see what the outcomes were, so it is essentially a benchmark report. Given the changes, it is important to look at governance. Any large organisation needs to have the right

corporate structures in place to ensure delivery. In the report, we state clearly that, although corporate governance, in itself, will not necessarily deliver the outcomes that one desires, it is an important aspect of the framework and of taking sustainable development seriously.

The majority of the report is an analysis of the various policy issues that we examine. We have a section on governance. We look at indicators, but much greater analysis of indicators is available in a supplementary report on our website. The analysis of indicators is what informs what we see as the five challenges that the Government faces. The report was difficult to compile because it is the first on the current Administration, but it contains a lot of policy analysis and makes a number of policy recommendations in the section on policy.

The Convener: Before we move on, I want to clarify something. You said that your report is the second assessment but the first assessment of the current Government. Are we talking about a continuing process or a cycle that you intend will be a regular routine during each Government's term in office?

Maf Smith: The current process is set out in a memorandum of understanding that we have agreed with the Government. That takes us up to the fourth assessment, which will be a strategic one. We expect that a review will then take place, which will be with a new Administration and a new Government programme. We will discuss with the new Administration, whatever its political make-up, how our scrutiny review remit should be fulfilled and we will consider what it is best to review.

The Convener: Is there not a danger in that process that issues might fall between the cracks during the change of Governments?

Maf Smith: No, because we consider long-term trends. There are published data sets that show long-term trends. In our second assessment, we considered the Government's indicator set, but we tested that by using wider indicators to find out whether the Government's indicators give an accurate picture and do not distort the picture by, for example, presenting one positive aspect when more negative things are happening behind the scenes. We will continue to do that. It is easier to track progress if the indicator sets do not change, but it is in Governments' gift to change them. Governments want to consider their monitoring and evaluation processes and how they judge progress. We will advise Governments on that, but it is their decision. If a future Administration were to change how it tracks progress, we would continue to test that against wider indicator sets to find out where the long-term trends are going.

The Convener: That is perhaps an issue for the committee to bear in mind in our longer-term

thinking. There has been discussion about committee scrutiny changing from one parliamentary session to the next.

Cathy Peattie: I will explore transport issues. Your second annual review shows that transport is the worst performing area. Car use is up, congestion is getting worse and air passenger numbers are up, although rail and bus passenger numbers are up, too. Why are the trends going in the wrong direction and what needs to be done about that? More people are travelling on public transport, but congestion has not reduced.

Phil Matthews: As you say, in our sustainability analysis, transport across the board was the least well performing area. There is a combination of reasons for that. Transport infrastructure provision is one fundamental aspect. That is not merely to do with the current Administration, as it goes back many decades. We have had a transport policy of large investment in roads, much less investment in rail and virtually no investment in walking and cycling, which are the most sustainable forms of transport but which are often overlooked. The planning system has neglected those forms of transport, too. Out-of-town sprawl has meant that goods and services are not near people. There are wider macroeconomic issues, such as the relative costs of public versus private transport and housing costs. Many people come over the Forth bridge every morning because they simply cannot afford to live in an area of Edinburgh that they would like to live in. The issues are as wide as that.

Those are the main reasons for the present situation. Changing that requires a much more coherent approach to planning that is about reducing the demand for private transport. That involves ensuring that public transport and walking and cycling alternatives are available to people wherever possible and that goods and services are easily accessible to every person in Scotland.

Rob Gibson: I have a question about active travel. There is at least anecdotal evidence of an increase in the number of people using or buying bikes. Has that filtered through to your analysis?

Maf Smith: Not yet. The indicators on the way in which people travel and the modal split do not show significant trends in that direction. However, we look at national data, so there might have been a switch in certain locations, but that has not made a difference in the national data on how people travel.

Rob Gibson: That is interesting, because Halfords, which is a leading purveyor of bicycles, says that it is delivering market share growth, and local bicycle shops tell me that more people are using bicycles. Given all the publicity about there not being enough active travel, I would have

thought that you would be able to measure changes as they happen. I suspect that it is not just about the recession.

Maf Smith: We can certainly consider the issue, but the data that we have do not show a measurable difference. That might be because we are witnessing the start of a longer-term trend. Data from Government monitoring of how people travel to work and for leisure do not show significant changes in relation to active travel.

Phil Matthews: The data in the second assessment—our most recent analysis—are more than a year old, but our third assessment report, which will be published towards the end of the year, will contain more up-to-date data. We will certainly comment on trends that are identified.

Rob Gibson: I will be most interested in that.

The Convener: Perhaps people are buying bicycles to use when we get more good weather.

Rob Gibson: National trends might depend on the part of the country that people are in. Some places get good weather.

The Convener: I am sure that we will cross-reference with the Met Office.

Des McNulty: Cathy Peattie asked why trends are in the wrong direction and what needs to be done about that. You answered the first part of her question, but I do not think that you addressed the second part, other than in general terms.

During the past two years, there has been significant expenditure on motorway development, on dualling the A9 and on removing tolls from the Forth bridge. Those seem to be the big financial decisions that central Government has made. The reluctance to uprate the bus service operators grant, and the rather peculiar process whereby a decision was reached on the rail franchise extension that involved no attempt to reduce rail fares, are part of a pattern of decision making that might accentuate the adverse transport trends that you have identified. Do you have a map that shows which policies were wrong and what alternative policies should be put in place? What kind of metrics can you put on that?

Maf Smith: Some of that work is on-going. For example, we committed to scrutinising the strategic transport projects review, which was published just after our second assessment was published. That scrutiny is on-going. The STPR is a lens through which we can consider wider transport policy and what is and is not happening in Scotland.

Des McNulty: Only two projects are committed to in the STPR, so that will be rather difficult.

Maf Smith: In the second assessment we highlighted that spending on public transport and

active travel is stable, which means that it has fallen in real terms. We are not witnessing a switch in Government spending towards more sustainable options. At the macro, budget level, Government needs to do more.

It is clear that if Government wants change, it must consider how infrastructure can allow people to make the switch to more sustainable forms of transport. That requires major interventions. It is not just about trying to make shifts within the long-term trends; it is about trying to make significant shifts in how people travel and the extent to which they use sustainable options. By the end of the current parliamentary session we hope to have more information and a more comprehensive review of transport. We are concerned that there is insignificant work by Government on policy interventions.

Des McNulty: That takes me back to my previous question. Your answer ends up being about process. If you were going to list five significant challenges, I think that one of them would be changing transport policy. However, even in responding to a specific transport question, your emphasis seems to be on process rather than the substance of policy or the pattern of expenditure.

15:00

Phil Matthews: Our challenge to Government on infrastructure is very much about transport. It acknowledges not only that transport expenditure is important—as Maf Smith said and you recognised—but that the planning framework that is set in place is an issue. Addressing that is a much longer-term objective and not something that can be done overnight. The planning framework is the reason why we cannot achieve the levels of cycling that countries such as the Netherlands can; we do not have the infrastructure to enable us to achieve it. Transport is at the heart of the recommendation to the Government on infrastructure, but it puts transport within the wider planning context.

Alison McInnes (North East Scotland) (LD): It would be useful to know a bit more about the scrutiny that you will undertake of the strategic transport projects review. You have identified a move backwards from sustainable development; it would be useful to understand the scale of that retreat. The committee is well aware that there has been a large shift and that the lion's share of transport spending is now on car transport, not public transport, which is disappointing. When will you report on the STPR and what dialogue have you had with the Minister for Transport, Infrastructure and Climate Change about the issues that you have identified?

Maf Smith: We have not yet had dialogue at ministerial level. We are having meetings with senior civil servants in Transport Scotland and the Scottish Government on emerging concerns about the STPR and what it says about wider transport policy. We have a meeting planned for this week, at which we will outline some of our concerns and get feedback. We will set out what we say about the facts, what the trends show and what the Government says and we hope to work out whether we disagree on the facts or how things are done.

We expect to publish our scrutiny of the STPR before the summer recess. We do not have a definite date yet, but we will write to the committee as soon as we have one. We will examine the 29 projects and interventions that are in the STPR and consider the process that Transport Scotland went through to choose them. We will then examine what delivering those projects would mean for the budget, what funding is available to deliver them and whether we agree that they will do what the Government sets out they will do—tackle emissions, cut congestion and improve Scotland's economy. The STPR and the Scottish Government's transport policy refer to the Climate Change (Scotland) Bill so, with reference to whether the projects will do what the Government says they will do, we will consider and come to a view on whether the STPR helps the Government to fulfil the commitments in the bill.

Rob Gibson: Your review says that transport appraisal tools have been revised. It has always been a moot question whether the Scottish transport appraisal guidance system favours sustainable transport. Have you given that any thought?

Maf Smith: We have not considered STAG in detail, but we are considering it as part of our forthcoming review. The initial findings are that it is a good tool, in that it gives good information and good quantitative analysis of the different aspects of transport. However, as I said, the issue is what is done with that information. We are interested in how the Government produces good information and we consider whether the information is good, but we want the Government to put STAG into practice and allow it to inform the individual decisions that it takes. We are not yet able to tell you what we feel about the decisions on the projects in the STPR, but that will be part of our scrutiny.

Rob Gibson: You may be aware that those who wish to develop railways continue to be concerned that the STAG system militates against railways and in favour of roads. Is it not a matter of urgency to review the STAG process?

Maf Smith: We are aware of that. We will cover the matter and report on it in our STPR scrutiny.

We are looking at how Government uses the STAG process, the way in which the data were presented and how the STPR conclusions were reached.

Des McNulty: I understand that there is one set of questions on the metrics, which is on the way in which the different factors are put together. On that basis, projects such as the A8/M8 upgrade or M74 extension score highly in benefit to cost ratio terms and always above rail projects. Rob Gibson made that point.

Another issue is the Government's interpretative analysis of STAG. We seem to have almost reached the point at which we get a STAG appraisal, but all the information that it contains is more or less ignored in the making of what can loosely be called a political set of choices. Political considerations seem to inform the decision-making process. On the assumption that STAG can be adjusted so that it no longer has an inherent bias toward road, should a more technical system that reduces or minimises the political input in what seem to be parallel systems be put in place?

Surely the inherent bias in any appraisal system that is based on volumes is the volume of people who use the system? Is not that the most important factor? On that basis, the system will always be biased towards projects in urban rather than rural areas. How do you take account of the need to meet rural as well as urban needs?

Maf Smith: Your first point was that technical information should form the summary information in the final STAG recommendations. We share that concern, and we are looking into it. The strategic environmental assessment of the STPR and its individual projects is a huge document. The SEA identified positive and negative impacts of the proposed schemes. However, when one gets down to the level of the summary document, in which the 29 projects are addressed, one finds that each is scored on its positive, balanced or negative contribution.

Although many negative impacts are identified in the SEA, no negative impacts are identified in the summary document for any of the proposed projects or interventions. We are concerned about that. Something seems to have been lost between the technical and summary information. Obviously, the relevant factor is where the decision was made and whether the information has been presented accurately. Of the 145 arrows, so to speak, none is shown as negative in the summary document, yet the SEA identified many negative impacts. We want to know how those decisions came to be taken.

Volume is a factor in the decision making on transport spend, in which transport accessibility

and equal access to transport are also relevant. It comes down to ensuring that things such as the social aspects of transport are taken into account and factored into decisions.

Des McNulty: How does that fit with climate change? If we take account of climate change and say that we want to reduce emissions, surely we are pushed back towards the Benthamite position? We cannot have it both ways: we cannot say, “We should be nice,” and also say, “We are being driven by climate change.” Those are fundamentally contradictory policy approaches that point us in completely opposite directions.

Maf Smith: The approaches do not necessarily point us in opposite directions. They might do so, but different ways of delivering the two objectives might allow us to reduce the tensions. In our role, the importance of our scrutiny and advice is that they consider the wider sustainable agenda—how economic, social and environmental policies stack up together and can be delivered jointly. That does not mean that one policy will solve everything. The Government must be more honest about where the tensions are and about what it can and cannot do to tackle climate change or social goods, for example.

An example about fuel poverty was given. Tackling fuel poverty will not necessarily help us to tackle climate change. People try to reduce their energy use because fuel is expensive, given that their homes are poorly insulated. However, the first thing that happens when people’s homes are improved is that they use more energy, because it becomes affordable. We cannot say that we will not tackle fuel poverty because that will make dealing with climate change harder. We must tackle climate change and, on the way, we need to tackle fuel poverty. That makes the overall work that bit harder. We must recognise the tensions and resolve how to make them fit as best we can.

The Convener: The executive summary of the review says:

“the Commission has concerns about Government policy on aviation.”

The commission notes that the national planning framework supports expansion in aviation and says that it

“firmly believes that Government lacks the necessary robust data on the costs and benefits of aviation to allow it to take decisions on additional airport capacity in Scotland.”

I saw no reference to that in the grid of recommendations and Government action. Is the Government responding to that call for more evidence or is it continuing to work on the assumption that all aviation links are good?

Phil Matthews: As far as I know, the Government is not looking further into the issue.

We commissioned a report on aviation last year, when the Scottish Government was involved in the stakeholder group with Whitehall, the aviation industry, BAA and all the other stakeholders. We reached the position that is reflected in the executive summary, which neither the Government nor the aviation industry shared. Our view remains that the evidence base does not exist. Assertions are continually made, not just about the environmental impacts of aviation, but about the economic costs and benefits. Some decisions might have clear economic benefits, but we do not have the framework to make that conclusion clearly.

The Convener: Is anybody working up such a framework and such data?

Phil Matthews: That is not my area. Much academic research is going on, particularly on aviation emissions and economic appraisal but, as far as I am aware, a consensus is not emerging even in the academic community.

Maf Smith: We recommended that the Government should bring together parties to gather evidence, but neither the Scottish Government nor the UK Government has implemented that recommendation.

Alex Johnstone: One organisation that gets off the hook a bit in your report is Scottish Water. That is a surprise because, when Scottish Water gave evidence to us on its annual report, it was well aware that activities in which it is involved have significantly increased their energy consumption and consequently their emissions. Do you have anything to add about Scottish Water? Will that organisation be subject to more scrutiny in years to come?

Maf Smith: You ask about the scrutiny of Scottish Water. We have focused on how the Scottish Government has delivered. We have not examined in detail delivery by government bodies such as local authorities, except in relation to how the Scottish Government sets the framework in which those organisations operate. However, in the commission at the UK level, we have in the past examined other bodies. The question is about how we in the Scottish office have prioritised our resources. We could consider, in the future, scrutinising any part of the Scottish Government and the Scottish public policy arena on the issue of sustainable development.

Scottish Water is a significant energy user, but it has to meet significant environmental designations—there is conflict there. We have not studied the situation, so I am not clear. However, Scottish Water needs to be given clarity about how it must meet its obligations. For example, increasing water treatment to comply with European directives will make any public duty on

climate change harder to meet. There is a problem about how groups such as Scottish Water are given clarity over conflicting duties, for example by the Scottish Environment Protection Agency, the Water Industry Commission for Scotland and other bodies that they have to answer to.

15:15

Alex Johnstone: One of the few concrete outcomes to be outlined in the review is that water use per person in Scottish Government buildings has fallen dramatically. Is there anything that you can do to assist the Government in transferring that knowledge to other organisations—public or private—so that they can do likewise?

Maf Smith: One of the reasons for that decrease in water use is that the Government has put a lot of effort into how it manages and reports water use, and how it involves the wider staff in that objective. It has also put effort into investment in the building stock. That has taken the Government quite a long time but it is not rocket science. Organisations such as the Carbon Trust provide such advice to businesses around Scotland. The issue is probably how well those advisory services are resourced to help provide access to that advice.

The Convener: Are you quite sure that the decrease has not come about because people are all drinking bottled water at Victoria Quay?

Maf Smith: Yes.

Cathy Peattie: You mentioned climate change a number of times in response to questions. Does the SDC feel that the Climate Change (Scotland) Bill should be strengthened to deliver the changes that are required? If so, which areas do you feel could be strengthened?

Phil Matthews: We presented evidence to the committee several months ago as part of its climate change inquiry; we welcomed that opportunity. We have reviewed the committee's stage 1 report on the bill, which covers a lot of our concerns. Maf Smith has touched on one of our central points, which is that we need early action—we need a 2020 target. The committee has noted that. We need to start reducing emissions significantly as soon as possible, rather than waiting for the second half of the period up to 2050. As Maf Smith said, we want to see a clear action plan from the Government.

Our other recommendations related to the public duty, which we have alluded to here, and to consumption reporting, which we would like to be included as a parallel process within any reporting structure. Those were our main points.

Cathy Peattie: You say in your report that the Scottish Government has not worked quickly

enough to reduce emissions. What input have you had to the discussion?

Maf Smith: On the overall emissions reductions in Scotland, and the Government's policy response and actions that it has taken?

Cathy Peattie: Yes.

Maf Smith: We have had input in a number of ways. We tend to input on a more practical level. For example, we are doing advisory work for the Scottish Government on how it delivers renewable heat. The Scottish Government's target is that by 2020, 11 per cent of Scotland's heat needs will be met from renewable sources. Our work for the Government is twofold. First, we have to work out exactly how much renewable heat is being used, which involves monitoring and measuring up to the end of March 2009. We do not have good data. We have estimates from a number of sources, but not valid data that are trusted and accepted. That is partly because heat as a commodity has not been regulated, certainly not in the same way as transport fuels and electricity are.

It is also very dispersed. For example, if someone has a coal fire and starts to burn logs instead, they have switched to renewable heat but no one knows, so how can that be measured? There are reasons why the picture is confused. We have been looking at that for the Government to give it a figure, and that work is on-going. On the back of that, we are starting to give policy advice based on what we expect to be a very low current level of renewable heat use—around 1 per cent. Where is the other 10 per cent to come from? We are giving policy advice on things that the Government needs to do.

We are working on the sustainable aspects of new coal generation relating to carbon capture and storage. We have done work in the past on nuclear, wind and tidal energies, so we can bring to bear advice and recommendations from those studies in addressing the relevant aspects for the Government. In addition, we sit on a number of Government working groups, including its groups on food and waste; both of those issues have significant implications for climate change. Some of our advice through those groups has been about practical steps that the Government can take.

Cathy Peattie: Do you find an open door? Is the Government interested in the areas that you are exploring with it? Is it taking on board your recommendations?

Maf Smith: In general, yes. The Government is honest in the publication of its data and its strategy about the long-standing problems that Scotland has and the gap between where we are now and where Scotland needs to be. The emphasis in our reflection is on the sustainable development

aspects of that. The Government is interested in contributions to that debate. Nevertheless, we prioritise some things more than the Government does, and the advice that we give is not always acted on. It is up to the Government to make the call on what issues it prioritises.

The Convener: The Climate Change (Scotland) Bill is only one part of the climate change agenda. I want to explore the relationship between the bill and wider Government action to put into practice the long-standing words that ministers of various Administrations have said about putting climate change at the heart of their agenda. Does the bill need to enforce that wider work or are there other ways of ensuring that it happens at the pace for which you have called? I have been surprised before, but it seems likely that the bill will be passed with all-party support, probably with some amendments to strengthen it, yet you and others are still telling us that progress has not been made quickly enough. What needs to change if Governments of whatever political persuasion are to feel that tackling climate change is a priority that they cannot simply ignore when it is difficult?

Maf Smith: Many things need to change, none of which would change without the bill. The bill is important; it will create the rationale for long-term action, which will be cemented and implemented.

One issue is carbon budgeting—or, as the Government calls it, carbon assessment. In the future, the Government, the Parliament and others who watch the Government and are interested will be able to see how the Government's decisions—which will have spending attached to them in many instances—are making a difference. The Government will also get better at knowing the impacts of its decisions. It knows how to manage its budget, and civil servants know how not to overspend or underspend, so there will be pressure from the system that manages spending. We need an increasing awareness of what carbon is and how it is being spent, which must be linked to budgets.

More widely, there must be consensus that tackling climate change is important and will necessitate choices. Too much of the conversation around climate change can be about how it can be fixed with a good framework, a good legal basis and a change in how we generate energy. Those things will all help, but the issue is how we live our lives. The debate on that needs to continue to ensure that parliamentarians understand, through formal and informal means—elections, political lobbying, local campaigns and non-governmental organisations—the importance of maintaining the pressure so that Governments include the tackling of climate change in their electoral platforms.

We cannot assume that by the end of the year, when the bill has been enacted, everything will be

sorted and a clockwork mechanism will be in place that ensures that emissions are reduced by 80 per cent. That will not happen. It is about starting to create a shared understanding and ownership of the problem. The Government can be more honest about the problem and say to people or to different interest groups, “We have decided not to do this,” or, “We have decided to do this in a different way: here's why.” I do not think that Government yet feels able to provide such justifications and I do not think that Government in the round quite understands the need to do so.

The Convener: The Cabinet Secretary for Finance and Sustainable Growth said in Parliament last week that a carbon assessment will be published alongside the budget for the next financial year when it is introduced in the Parliament—as far as I am aware, that is the first time that that has been made explicit. We will not have to consider the carbon assessment after other budget scrutiny has taken place; we will have it alongside the budget, which will inform parliamentary scrutiny of the budget. Should we lock in such a mechanism, so that in future no budget can be introduced without a carbon assessment being carried out and provided to the Parliament?

Maf Smith: The first carbon assessment will not be perfect. There will be a learning process, and we must allow scope for assessment tools to evolve. We do not want to lock Government into a bad reporting framework that looks like best practice now but might look ropey in 10 years' time.

The Convener: It ought to be possible to require Government to publish carbon assessments of its budgets.

Maf Smith: Yes, and that would help. I expect that in 10 or 15 years' time, carbon assessment will be a well understood process that informs how Government works, just as comprehensive spending reviews currently inform much Government activity.

The Convener: You talked about cultural leadership and the wider public debate about how we live our lives and the choices that have to be made, and the impact of that on politicians at elections and during their terms of office as ministers. The SDC's role relates to Government; you have no public-facing, campaigning, wider lobbying role. Should you have such a role, or should another body that is seen to be neutral and not party political have the role of leading the public debate about culture and society?

Maf Smith: We should not have that role. When you asked whether our involvement in the climate challenge fund and the SSDF undermines or cuts across our other roles, I replied that we do not

think that it does. However, if more roles were added and our focus moved away from Government, we would be distracted. The current balance of our work is such that we focus and report on what Government is doing.

The problem is that wider public debate is needed, but I am not sure that we can point to a single organisation whose role it is to solve it. A combination of approaches is needed. We need Government advice programmes and we need to ensure that the work and advice functions of key organisations such as the Energy Saving Trust are properly resourced and organised so that they can meet the challenge of providing people with clear information.

The information has to be practical, but we also have to explain a future Scotland in positive terms, so that people know that the changes that we have to make are worth making and will not entail us doing without the things that make our lives worth while. Government can help by demonstrating how it is working. The Government has done good things to reduce impacts, but it could do more. We will continue to monitor and report on that work.

15:30

Rob Gibson: I was going to ask about the methodologies involved in carbon assessment and in carbon balance sheets for transport, but the convener has asked quite a bit about that. However, perhaps you could cast your minds a little deeper. Do you have any criticisms of the current methodologies?

Maf Smith: We have not seen detailed information on the methodologies. Our commissioner is also professor of accounting and sustainable development at the University of St Andrews, and she has inputted to the development of the methodologies, using her professional expertise in quantitative methods and monitoring. She has done a lot of work on appraisal methods. We are giving our perspective on the debate, but as far as I know we have not yet seen details of the methodologies. We hope to see the details as they come through, but I cannot give you our view yet.

Rob Gibson: You mentioned best value. As part of the best-value process, should any monetary or carbon measures be reported on?

Maf Smith: In general, yes. Phil Matthews mentioned the work that we have done on best value. When authorities report on the sustainable aspects of the best-value duty, they tend to report on qualitative measures. However, it is easier to judge progress with quantitative measures. It is within the remit of local government to provide such measures in relation to climate change. Local

government already reports on climate change under the single outcome agreements. The framework within which local government must report exists already. The question is how that framework is used and how consistent the scrutiny is. It is important that local government uses the framework to make policy differently, and that central Government takes that information before offering guidance and direction to local government.

Cathy Peattie: The whole issue should be covered by single outcome agreements. Earlier, you spoke about work with Audit Scotland. Are the measures starting to work? Could the single outcome agreements be stronger for local authorities?

Phil Matthews: Do you mean for reporting on best value?

Cathy Peattie: Yes—best value and climate change emissions.

Phil Matthews: We have not looked in detail at local reporting on climate change. The Scottish climate change declaration emerged only about two years ago, so the first reports are coming out only now.

As Maf Smith said, we have some concerns about the way in which reporting on best value is relayed through Audit Scotland reports. Things are better than they were about five years ago, although I have not noticed a steady incremental change over the past 18 months or so. A lot more could be reflected in reporting. It is still a work in progress.

Shirley-Anne Somerville (Lothians) (SNP): I think that we have dealt with single outcome agreements, unless the witnesses feel that there is something to add on the lessons that we can learn.

Maf Smith: We have not looked in detail at single outcome agreements, but we are interested in them. The sustainable Scotland network provides support for local authorities, and we have discussed with it learning and information sharing between our organisations. The network sees how things are working on the ground. We are interested in how all the SOAs cumulatively translate into delivery of the national objectives. That is a continuing process, and we hope to be able to give a clearer view of the success or otherwise of SOAs in future assessments.

Shirley-Anne Somerville: That would be useful. We will undoubtedly need to learn lessons as the SOAs develop, so it is good that your future reviews will take them into account.

You referred to aspects of the Scottish Parliament's scrutiny role in your review and gave practical advice on how the Parliament could learn

lessons on scrutiny. Can you talk the committee through some short-term and longer-term steps that the Parliament should take as an institution when scrutinising Government progress?

Maf Smith: Some aspects relate to how the Parliament runs itself and some relate to how the Parliament fulfils its wider scrutiny and legislative role. It is important that the Parliament and its committees ensure that sustainable development is part of the Government's work. Our organisation has a scrutiny role, but the Parliament, as the body that scrutinises the Scottish Government, can ensure that sustainable development is taking place. There is a duty to do that, but the issue is how that duty is enacted in practice, because there are different ways of doing that. The duty can be either in the remit of each parliamentary committee or in only one committee's remit, with the other committees reporting to it, as in the example of the Equal Opportunities Committee's remit.

We reviewed the duty issue and gave evidence on it at the end of 2006 to the former Environment and Rural Development Committee, indicating how the issue could be progressed. The current Rural Affairs and Environment Committee subsequently took up the issue. We met the Conveners Group and discussed various options with it. There is continuing consideration of training and development and of clerking capacity for advising committees on sustainable development. However, as far as we are aware, the Parliament has yet to say what process it will put in place to scrutinise sustainable development. We feel that something is lacking. We know that the issue is being discussed, but we have yet to see the result of those discussions.

Shirley-Anne Somerville: Have you been given a timetable for the taking of decisions?

Maf Smith: No.

Shirley-Anne Somerville: So we need to consider that.

Maf Smith: Yes. There has yet to be a decision on the Environment and Rural Development Committee's legacy report to its successor committee and the Parliament.

The Convener: Are there any issues that you hoped to raise that have not come up in the questions?

Maf Smith: No.

The Convener: I thank both witnesses for the time that they have spent answering questions. We have identified areas for consideration, including your work on the STPR and the third assessment report, which we look forward to and will take an interest in. In addition, I am sure that we can keep members informed about the

development of the discussion on parliamentary scrutiny.

Meeting closed at 15:38.

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