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Submitted via Citizen Space

Net Zero, Energy and Transport Committee pre- legislative scrutiny on the Climate Change Targets Bill

About us

Consumer Scotland is the statutory body for consumers in Scotland. Established by the Consumer Scotland Act 2020, we are accountable to the Scottish Parliament. The Act defines consumers as individuals and small businesses that purchase, use or receive in Scotland goods or services supplied by a business, profession, not for profit enterprise, or public body.

Our purpose is to improve outcomes for current and future consumers, and our strategic objectives are:

- to enhance understanding and awareness of consumer issues by strengthening the evidence base
- to serve the needs and aspirations of current and future consumers by inspiring and influencing the public, private and third sectors
- to enable the active participation of consumers in a fairer economy by improving access to information and support

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Consumer Scotland uses data, research and analysis to inform our work on the key issues facing consumers in Scotland. In conjunction with that evidence base we seek a consumer perspective through the application of the consumer principles of access, choice, safety, information, fairness, representation, sustainability and redress.

Our response

Summary

- There is a need for the Scottish Government to increase both the urgency and the scale of their response to climate change. Significant further action is needed to support consumers to understand the role they are being asked to play in the transition to net zero.
- A move to a 5-yearly carbon budget approach may present a clearer picture of progress in Scotland. There are a number of potential advantages in aligning the proposed 5 yearly Scottish carbon budgets with the periods that are used for UK carbon budgets. These include greater potential consistency in planning, budgeting and consultation periods, which may support a more coherent landscape for consumers. A UK-wide consistent approach and time period may help in providing clarity on available budget and key priorities.
- It will be important for carbon budgets to have a cross sector focus. There is a need for more emphasis on system-level design that takes into account the full consumer journey and which considers issues such as regulation, supply chains and skills, along with consumer protection and redress from an early stage.
- Developing a cross-sectoral infrastructure strategy is key to unlocking the potential for significant societal benefits and economic growth.
- If the Scottish Government does wait for planned advice from the CCC on setting carbon budgets, it is important that delivering ambitious action does not slow down or stop in the meantime.
- Having transparent and regular reporting on progress will be key to ensuring that there is no loss of momentum and that all relevant stakeholders, including consumers, remain well informed about the impact of the changes that are being made. Appropriate monitoring, evaluation and scrutiny must take place, including robust Parliamentary scrutiny, informed by stakeholder views.
- The next Climate Change Plan should be published as soon as possible, after carbon budgets have been agreed. The legislative framework put in place to support the Plan must be clear and robust, with the Plan being detailed, credible, robust and committing to tangible measures, backed by fully costed budget commitments, which can be delivered within the relevant timeframe.
- Any Plan developed by the Scottish Government must present a credible, well-evidenced estimate of future spend and that this estimate is informed by external scrutiny. Until clear pathways are developed it will be challenging to be precise about the associated costs, however current levels of spending are reported to be inadequate to meet targets. There is a need for cross departmental working both within and across government so that all areas are focused on achieving the 2045 target.

Question 1. Do you agree or disagree with the proposed shift to 5-yearly carbon budgets (in place of current system of annual targets)?

Agree

We agree with the Climate Change Committee (CCC) that, although annual targets offer the advantage of regular scrutiny of progress, they are highly vulnerable to year-to-year emissions fluctuations.¹ **A move to a 5-yearly carbon budget approach may present a clearer picture of progress in Scotland.**

If Scotland does move from the current system of annual targets to a 5-yearly carbon budgets approach, then this should be treated as a fresh opportunity to engage consumers and bring them along on the journey to net zero.

Forthcoming research by Consumer Scotland has found that concern about climate change is high among consumers in Scotland, with three in four (76%) saying that they are either 'very' or 'fairly' concerned about this. Despite this concern, only 28% of respondents said they know a lot/completely about what they need to do to help Scotland reach net zero by 2045.²

This demonstrates the **need for significant further action to support consumers to understand the role they are being asked to play in the transition to net zero.**

Consumer Scotland will publish our research on consumer awareness of and engagement with net zero, which includes a focus on the barriers to behaviour change, in Autumn 2024. We look forward to sharing the findings of this research with the committee to inform further parliamentary scrutiny of the Bill.

Question 2. What are your views on the advantages and disadvantages of carbon budgets / targets being expressed as a percentage reduction or as absolute levels of emissions?

No response.

Question 3. The Climate Change Committee (CCC) suggested that the Scottish Government should consider aligning the proposed 5 yearly carbon budgets with the periods that are used for UK carbon budgets (i.e. 2023-27, 2028-32, 2033-2037 and 2038-42). What are the advantages and disadvantages of alignment with UK carbon budget periods?

There are a number of potential advantages in aligning the proposed 5 yearly Scottish carbon budgets with the periods that are used for UK carbon budgets. These include greater potential consistency in planning, budgeting and consultation periods, which may support a more coherent landscape for consumers. A greater level of consistency has the potential to reduce confusion among the public and aid collaboration between stakeholders. Given the interdependencies that exist in relation to meeting targets across the UK, **a consistent approach and time period may help in providing clarity on available budget and key priorities.** This would provide greater certainty, allowing key industry and government bodies in sectors such as energy, construction and transport to programme their own

actions and make the necessary infrastructure investment decisions, which would be beneficial for consumers.

Reports such as the Skidmore Report make clear that **developing a cross-sectoral infrastructure strategy is key to unlocking the potential for significant societal benefits and economic growth** as part of the move towards net zero.³ A strategy covering vital sectors such as digital infrastructure, electricity generation and transport decarbonisation can lay the platform for the development of new and emerging markets that can better needs of present and future consumers.

Question 4. At the end of a carbon budget period, there can be a surplus or deficit of emissions reductions. What do you think the legislation should say about how future surplus or deficits in emission reductions are dealt with?

We note that the Scottish Government position paper on the Bill states that there will be no provision to carry over emissions from one carbon budget to another.⁴ The legislation, once introduced, should provide clarity on how surpluses or deficits should be treated and the approach taken should be consistent with international best practice.

Question 5. In early 2025, the Climate Change Committee (CCC) will advise the UK on the level of its Seventh Carbon Budget. This is the legal limit for UK net emissions of greenhouse gases over the years 2038 to 2042. The CCC have suggested that could be used as the basis for advice on appropriate levels for carbon budgets in Scotland. The Cabinet Secretary told the Committee that this ‘might be the point at which we are able to have clarity on the targets, and I would want a plan to be produced very quickly thereafter’.

- Should the Scottish Government wait for the planned advice on the UK’s seventh carbon budget from the CCC, before setting their carbon budgets?
- Should the Scottish Government propose multiple 5-year carbon budgets in 2025 up to the year 2042?
- How soon after the Scottish Government has received advice from the CCC should it propose their carbon budgets?
- What should the process of parliamentary scrutiny look like for the laying of carbon budgets and plans for meeting budgets?

Successive failures to meet annual emission reduction targets, combined with the increasingly extreme impacts of climate change, illustrate **the need for the Scottish Government to increase both the urgency and the scale of their response to climate change**. A fresh Climate Change Plan, backed by new legislation will also provide an opportunity to demonstrate leadership on the global stage in responding to climate change. It allows opportunities to improve engagement and alignment with the UK Government, along with providing clarity and certainty on sequencing and funding of key infrastructure projects.

It will be important for carbon budgets to have a cross sector focus, identifying interdependencies and core competencies that need to be in place to support work across different sectors, such as the links and interdependencies between energy market reform and infrastructure to charge electric vehicles. There is a need for more emphasis on system-level design that takes into account the full consumer journey and which considers issues such as regulation, supply chains and skills, along with consumer protection and redress from an early stage.

As outlined above, the move to carbon budgets can deliver benefits from a consistency of approach. **It will be important, however, that if the Scottish Government is to wait for planned advice from the CCC on setting carbon budgets that delivering ambitious action does not slow down or stop in the meantime.** For this reason a credible and robust plan should follow as soon as is practicable after the Scottish Government receives detailed advice from the CCC.

In order to ensure that the needs, concerns and priorities of consumers are taken into account, **it will also be important for parliamentary scrutiny to allow for robust engagement with a range of stakeholders**, along with identifying opportunities for public engagement and promotion. Consideration should be given to whether any subordinate legislation which sets carbon budgets should be subject to the super-affirmative procedure to allow for enhanced scrutiny.

Question 6. Under the current statutory regime, the legal deadline for laying a draft of the Climate Change Plan (CCP) is November 2024. This Plan was due to apply to the period of 2025-2040. The Scottish Government intends to use the Bill to change the timing for the production of the CCP.

- Do you have views on when and how the Scottish Government should publish their plans for meeting the proposed carbon budgets?
- What period should the next Climate Change Plan cover?
- Do you think the current requirements for Climate Change Plans within the existing legislation provide an effective regulatory framework?
- Are there any other aspects of the current legal framework for the creation of Climate Change Plans that you think should be updated?

We would wish to see the next Climate Change Plan published as soon as possible, after carbon budgets have been agreed, in order to draw on the evidence base provided by the CCC and to allow for adequate scrutiny against this advice.

We note that the Bill intends to amend the current deadline for producing the next Plan, and will set a direct relationship between the five-year periods of the carbon budgets and the Plan. As the CCC will provide advice on carbon budgets levels in Spring 2025, the Scottish Government has stated that the next Climate Change Plan will be brought forward as soon as practicable after the carbon budget levels are set through secondary legislation. It will be

important that this timetable does not slip and that there are no further delays to this process. **It is also important that the Plan is detailed, credible, robust and commits to tangible measures, backed by fully costed budget commitments, which can be delivered within the relevant timeframe.**

The legislative framework put in place to support the Plan must be clear and robust. If the approach in Scotland is to be similar to the carbon budgets framework put in place in England and Wales, then consideration could be given to equivalent provisions to those found in ss 13 and 14 of the (UK) Climate Change Act 2008. These required a focus on long terms plans to enable 2050 targets to be met, along with an emphasis on sustainable development. An approach which combines measures such as these with the ability to set out costs and benefits, along with an assessment of the sectoral and regional impacts of policies would seem desirable.

Previous work by Audit Scotland has found that to achieve net zero by 2045 and build climate resilience is difficult and complex, requiring whole system change. They note that the scale and extent of the required transformation across the public sector, society, and the economy are unprecedented, and urgent, and that coordinated action from all public sector bodies, and their partners, is needed.⁵ A systemic approach is required, with government taking action to set a clear sustainability framework across multiple sectors, ensuring that consumers have access to sustainably produced goods and services which are safe, affordable and of acceptable quality.

The Climate Change Plan plays a crucial role in outlining and communicating targets and priorities and letting consumers know what is expected of them across a number of sectors. **We agree with the CCC that the Scottish Government should publish and implement the Climate Change Plan as a priority.** The CCC highlights the need for the Plan to set out the key roles and responsibilities for delivering aspects of emissions reduction and climate change adaptation.⁶

Consumers have a key role to play in achieving the net zero transition, with the CCC estimating that over 60% of the required emissions reductions to meet net zero will be “predicated on some kind of individual or societal behavioural change”.⁷ Although consumers, along with a wide range of other stakeholders, have a key role to play, they can’t make the full range of changes needed without better support, guidance and information from stakeholders such as the Scottish Government.

Consumer Scotland’s research, due to be published in Autumn 2024, found that concern about climate change is high among those in Scotland, with three in four (76%) saying that they are either ‘very’ or ‘fairly’ concerned about this. Despite this concern, only 28% of respondents said they know a lot/completely about what they need to do to help Scotland reach net zero by 2045.⁸ Our research also showed that consumers want to play their part in the transition to net zero but they look to government for guidance, leadership and to provide them with more support.

Consumers are making purchasing decisions across multiple markets and other factors often outweigh concerns about the environment in their decision making. Our forthcoming research found that many consumers primarily value convenience, cost and quality when making purchasing decisions.⁹ **It is important that the Climate Change Plan sets out a clear, system-led approach, which takes into account the range of factors which have an impact on consumer decisions.** The Plan will need to take account of issues around regulation, supply chains, skills development, technological change, infrastructure development, funding and consumer protection and redress. Having a clear, robust and credible implementation plan which accounts for the wide range of interdependencies in different markets is essential. Once the Plan is in place, further sector level work will be needed. The consumer journey through key markets should be mapped out in detail, with key measures modelled and analysed, to allow for risks and unintended consequences to be identified and mitigation measures put in place.

Consumers need access to information that is clear, accessible, well targeted and consistent. The information should clearly set out the range of beneficial impacts of the changes that they are being asked to make and how they relate to competing consumer priorities such as convenience, cost and quality. This can ensure that consumers have the knowledge and understanding to engage with the transition and take individual actions to support progress towards targets.

Our forthcoming research has found a general lack of consumer understanding and knowledge about government policies, terminology and targets amongst consumers.¹⁰ Improvements are needed in public engagement strategies, focussing on consistency of messages across sectors and providing clarity on the outcomes that can result from changes in consumer behaviour.

It is also important that there are appropriate consumer protections in place, particularly given the new and growing markets in products and services. A cross-market approach, considering how products are regulated, how consumers access information, where they can access advice and what should happen when things go wrong in transactions will be necessary. This will involve sequencing and alignment of multiple workstreams, and the Climate Change Plan should fully consider and reflect these to allow for clarity of the actions needed.

Question 7. The Scottish Government has confirmed that their annual reporting on progress towards targets will be retained. The CCC have however, suggested that if 5-yearly budgets are adopted in Scotland, CCC reporting may move from a system of annual Scottish 'Progress' reports to two dedicated reports on Scottish progress every 5 years.

- What are your views on whether there should be changes to the existing Scottish Government monitoring and reporting framework?
- What are your views on the potential changes to the level of Scottish reporting provided by the CCC?

We are supportive of the proposed shift to 5-yearly carbon budgets and the benefits that can be gained from this change in approach. However, it will be important to avoid any loss of focus or momentum as a result of the change in reporting mechanisms. We note from the Scottish Government position paper on the Bill that the intention is for Ministers to lay in Parliament an annual report on emissions reduction.¹¹ **Having transparent and regular reporting on progress will be key to ensuring that there is no loss of momentum and that all relevant stakeholders, including consumers, remain well informed** about the impact of the changes that are being made.

Regardless of the approach that is taken, **it will be important for to ensure that appropriate monitoring, evaluation and scrutiny can take place.** This is essential in identifying areas where progress is not being made, to allow revision to plans and to address barriers to change. Making the necessary changes to the overall framework of reporting must not result in delays in decision making and prioritisation.

Question 8. A Bill, according to the Standing Orders of the Scottish Parliament, must “..be accompanied by a Financial Memorandum which sets out best estimates of the costs, savings, and changes to revenues to which the provisions of the Bill would give rise, and an indication of the margins of uncertainty in such estimates.” (Rule 9.3.2).

- The 2045 target will not be amended. How much do you estimate it would cost to achieve that target?
- Are current spending levels on policies to achieve this in line with what is required?

It is in the interests of consumers for the social, economic and environmental costs and benefits of actions to be clearly identified, and for actions which contribute most to meeting to our climate change targets to be prioritised.

Audit Scotland has previously suggested that public bodies will need to ensure all future funding and investment decisions are based on their contribution to climate change ambitions and the development of an inclusive, net-zero carbon economy.¹² Costs and benefits should also be considered in terms of their impact on different groups, including consumers. In addition, reports such as the Skidmore Review have highlighted the considerable cost of delay, and the higher costs, and opportunity costs, which may result from a failure to take urgent actions now.¹³ Key spending issues for the public sector previously identified by Audit Scotland include prioritising low carbon investment; front-loading spending on retrofitting and energy efficiency models; supporting nature-based solutions; and considering natural capital, carbon emission reduction, and adaptation in investments.¹⁴

Until clear pathways are developed it will be challenging to be precise about the associated costs, however current levels of spending are reported to be inadequate to meet targets. The Just Transition Commission recently reported that the current approach will not fund a just transition for Scotland and that new and innovative investment is needed.¹⁵ The Just Transition Commission also highlights the distinction between finance for

net zero and investment in a just transition, recommending that the Scottish Government set out a credible list of just transition investments which should help to form the building blocks to establish robust just transition pathways which complement the net zero pathways.¹⁶ **It is important that any Plan developed by the Scottish Government presents a credible, well-evidenced estimate of future spend and that this estimate is informed by external scrutiny.**

Question 9. Budget

- How can the Scottish Government use this year's Budget to ensure all portfolio areas are focused on achieving the 2045 target?
- Has the inclusion of a Climate Change Assessment of the Budget improved outcomes and progress towards a target?
- What are your views on the presentation of the Climate Change Assessment and are there any changes you would like to see to this?

There is a need for cross departmental working both within and across government so that all areas are focused on achieving the 2045 target. The Budget planning process is one way in which internal governance systems can be used to drive consistency and timely and effective delivery across government. The process can also be used to identify opportunities to achieve positive policy outcomes across multiple sectors by making strategic investments. Clarity is required on the outcomes that these investments are expected to generate and on how the effectiveness of policy interventions and investments will be measured and evaluated on an ongoing basis.

Research by the Fraser of Allander Institute previously found that there was a significant gap between the intentions of policy processes and how these were being applied by way of business cases, impact assessments and economic appraisals.¹⁷ This led to weaknesses in the quality and comprehensiveness of policies and governance processes surrounding carbon assessments and budgeting. The Scottish Government subsequently accepted a recommendation that it should introduce a Climate Change Assessment and dedicate a section of the Budget to the climate. This represents an improvement on previous practice, but remains at an early stage, and as such will likely require further development, based on experience and scrutiny from key stakeholders such as the Parliament, as it evolves. As part of any impact assessment process, it would be useful for both the Scottish Government and the Scottish Parliament to consider how it can access consumer and stakeholder views, and whether further opportunities exist for public participation in budget and priority setting.

¹ [Letter to Màiri McAllan MSP - CCC - Scotland carbon budgets \(theccc.org.uk\)](https://theccc.org.uk/letter-to-mairi-mcallyan-msp-ccc-scotland-carbon-budgets)

² Consumer Scotland research, currently unpublished

³ [MISSION ZERO - Independent Review of Net Zero \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/714447/MISSION_ZERO_-_Independent_Review_of_Net_Zero.pdf)

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- ⁴ [Climate Change \(Emissions Reduction Targets\) \(Scotland\) Bill: position paper - gov.scot \(www.gov.scot\)](#)
- ⁵ [Addressing climate change in Scotland \(audit.scot\)](#)
- ⁶ [Progress in reducing emissions: 2024 Report to Parliament \(theccc.org.uk\)](#)
- ⁷ [Net Zero - The UK's contribution to stopping global warming - Climate Change Committee \(theccc.org.uk\)](#)
- ⁸ Consumer Scotland research, currently unpublished
- ⁹ Consumer Scotland research, currently unpublished
- ¹⁰ Consumer Scotland research, currently unpublished
- ¹¹ [Climate Change \(Emissions Reduction Targets\) \(Scotland\) Bill: position paper - gov.scot \(www.gov.scot\)](#)
- ¹² [Addressing climate change in Scotland \(audit.scot\)](#)
- ¹³ [MISSION ZERO - Independent Review of Net Zero \(publishing.service.gov.uk\)](#)
- ¹⁴ [Addressing climate change in Scotland \(audit.scot\)](#)
- ¹⁵ [Investment for a Just Transition: A Starting Point – Just Transition Commission](#)
- ¹⁶ [Investment for a Just Transition: A Starting Point – Just Transition Commission](#)
- ¹⁷ [Scottish Government Needs A Rethink To Meet Net Zero Ambitions | FAI \(fraserofallander.org\)](#)