

Chapter 9: The Public Sector

Summary

- While the public sector only accounts for around 2% of Scotland's greenhouse gas emissions, it can make a significant contribution to energy savings through its large estate, the many suppliers it utilises, the large number of staff it employs, and by demonstrating the principles of sustainable design to all its users.
- Audit Scotland has already made a number of recommendations to the Scottish Government and the wider public sector in its report, 'Improving Energy Efficiency in the Public Sector'. These include that clear guidance is made available on what energy efficiency action is required, that monitoring and reporting of the sector's energy performance is improved, and that good energy efficiency practice is disseminated across the sector.
- Many Scottish large public sector organisations will be included in the UK-wide Carbon Reduction Commitment (CRC), to be introduced in April 2010.
- The Scottish Government funds the Carbon Trust to provide energy efficiency and change management advice to larger public bodies and higher education institutions through the public sector stream of its Carbon Management Programme.
- The Scottish Government has established the Leading By Example initiative to raise the environmental performance of the public sector, including its energy use.
- As part of the initiative, it is looking at the scope for greater standardisation of reporting on environmental performance – including on energy efficiency – and the use of monitoring and reporting tools such as the e-PIMS (electronic Property Management Information Service) used for the Scottish Government's own estate and NHSScotland's eMART (Environmental Monitoring and Reporting Tool).
- The Scottish Government will engage with COSLA, Health Facilities Scotland and Scottish Water to encourage finance directors to capitalise on the invest-to-save potential of any remaining Central Energy Efficiency Fund money. Energy efficiency must become an essential element of public sector investment plans.

Overview

9.1 The Scottish Government wants the public sector in Scotland to act as a visible leader in energy efficiency while ensuring that frontline services are not compromised. This will help to achieve cost savings from the public purse, reduce carbon emissions from the public estate, and encourage wider environmental behavioural change across all sectors of society.

9.2 While the public sector only accounts for around 2% of Scotland's greenhouse gas emissions,¹⁵² it has the potential to make a significant contribution to energy savings through its large estate, the many suppliers it utilises, the large number of staff it employs, and by demonstrating the principles of sustainable design to all its users. These suppliers, employees and users can be influenced to make changes to the energy behaviour in their businesses and homes and can thus contribute on a far greater level to reducing Scotland's energy consumption.

¹⁵² See 'Changing Our Ways: Scotland's Climate Change Programme', 2006 (www.scotland.gov.uk/Publications/2006/03/30091039/25).

9.3 Similarly, the policies and regulation which the public sector sets and is responsible for delivering will be crucial in achieving energy savings. The sector will therefore play a key leadership role in delivering the Scottish Government's Energy Efficiency Action Plan.

9.4 This chapter focuses on the energy used by the public sector, rather than the influence which the sector has over the energy efficiency of society as a whole. The issues of attitudes and behaviours, and of public sector responsibilities, are covered in Chapters 5 and 13 respectively.

Key drivers

9.5 The Climate Change (Scotland) Act's provisions relating to energy efficiency include several that will impact upon the public sector. The provision that newly procured buildings within the civil estate should be in the top quartile for energy performance may increase financial pressures, and consideration must be given to how to achieve this in a cost-effective manner. The introduction of energy efficiency targets for Scotland will lead to greater political scrutiny, not least of the public sector, and will necessitate continued leadership in aiming to meet these targets. The general climate change duties in the Act on public bodies, backed up by statutory Ministerial guidance, should encourage the sector to be proactive in its energy saving efforts, while the ambitious 2020 emissions reduction target in the Act requires consideration of more radical energy-saving policies for the sector to implement and adopt itself.

9.6 In addition, the Act sets out a requirement that, when spending proposals are laid before the Scottish Parliament, so too must details of the impact that the spend-related activities will have on greenhouse gas emissions. To ensure that policies are robust and fulfil their part in delivering this requirement, the Scottish Government is undertaking a Carbon Assessment Project. This includes the development of a range of tools with which it will assess the impact of government activity relating to spend and policy. The work comprises three strands:

- a High Level Assessment - a top-down assessment, looking at the whole Scottish Government budget in line with the above reporting duty;
- an Individual Level Assessment - of individual policies, plans and projects; and
- development of mechanisms for using both the individual and high level assessments to drive down emissions associated with government spend and in the wider economy – a carbon management framework.

9.7 A methodology for undertaking the High Level Assessment of Government spend is currently being developed and will be applied to the 2010-11 budget.

9.8 Audit Scotland has already made a number of recommendations to the Scottish Government and the wider public sector in its report, *Improving Energy Efficiency in the Public Sector*.¹⁵³ These include that clear guidance is made available on what energy efficiency action is required, that monitoring and reporting of the sector's energy performance is improved, and that good energy efficiency practice is disseminated across the sector.

9.9 Many Scottish large public sector organisations will be included in the UK-wide Carbon Reduction Commitment (CRC), to be introduced in April 2010 (see paragraph 8.41). This will provide participant organisations with a financial incentive to carry out energy efficiency work and penalise those that perform badly. From a public sector leadership

¹⁵³ Audit Scotland, 'Improving Energy Efficiency in the Public Sector', December 2008 (www.audit-scotland.gov.uk/docs/central/2008/nr_081211_energy_efficiency.pdf).

perspective, as well as a financial imperative, it is important that Scottish public sector participants perform well in the league table system under which the CRC will operate.

9.10 Chapter 8 has already looked at energy efficiency in all non-domestic buildings (including the public sector), taking account of the specific Energy Performance of Buildings Directive requirements for non-domestic public buildings and matters regarding implementation of Section 63 of the Climate Change (Scotland) Act 2009. The energy standards of the building regulations apply to all new non-domestic buildings, and existing buildings when alteration, extension or conversion work is carried out. The standards do not differentiate between public or private ownership or occupation. Buildings in Scotland that belong to devolved Crown bodies are subject to the same energy standards as all other non-domestic buildings, the previous exemption from building regulations having been removed on 1 May 2009.

Work underway

Carbon Management Programme

9.11 The Scottish Government funds the Carbon Trust to provide energy efficiency and change management advice to larger public bodies and higher education institutions through the public sector stream of its Carbon Management Programme. Participating organisations are supported by Carbon Trust consultants over the Programme's ten month duration to identify carbon saving projects and make the case for action to senior decision makers. To date, 49 Scottish organisations have completed the Programme (plus Scottish Water, whose energy intensive nature lent itself to the business sector stream of the Programme). These include NHS Boards, universities, SEPA, the Scottish Government, and all Scottish local authorities.

9.12 The 24 organisations that graduated from the Programme in 2009 have typically set themselves a target of cutting emissions by 20% over the next five years, and so far have identified projects with potential CO₂ savings of around 180,000 tCO₂ per year.

Box 9.1 Carbon Management Plan for Scottish Government Buildings

The Scottish Government published its Carbon Management Plan in May 2009. This plan sets out a framework for reducing our carbon footprint by 20% by 2014. It identifies a range of projects, including energy saving measures, to help reduce direct and indirect energy-related CO₂ emissions from the estate's operations - by 12.6% from 1999/00 levels by 2011, and by 30% by 2020 against the same baseline. In doing so, it focuses on the built environment and low-carbon technologies. One project already underway is the replacement and upgrade of the lighting system at the Government's largest building, Victoria Quay, in Edinburgh. As well as being more energy efficient, this will afford a greater degree of control to reduce any unnecessary operation when the building is not in use. A centrally-controlled Building Management System will also be installed for a number of larger buildings on the estate, which will offer additional opportunities for efficiency savings. In addition to this and various greener IT initiatives, we will be removing water coolers from the estate by the end of 2009 and will initiate a voltage-reduction scheme, starting in Saughton House.

The Carbon Management Plan includes the development of a programme of internal awareness-raising activities, targeting areas of energy consumption that can be directly affected by the actions of staff, and challenging the ways they work in an effort to improve the efficient use of local buildings and facilities. Thus, for example, we will shortly be re-launching our internal Environmental Guardian network. The pro-active Guardian's role will be to influence and encourage greener behaviour by colleagues and to improve environmental performance at the local business level.

9.13 It has been noted that the Carbon Management Programme focuses solely on large public sector organisations, leaving a significant energy efficiency advice gap for the many smaller public bodies in Scotland. The Carbon Trust has therefore developed Carbon Management Lite. This was launched in June 2009 and has been tailored to support small energy users in the public sector, including government agencies, NDPBs and further

education colleges. It will provide a valuable tool to reach the wider public sector and to help ensure that emissions cuts can be achieved across the board.

Central Energy Efficiency Fund

9.14 Through the Central Energy Efficiency Fund (CEEF), interest-free loans are available for Scottish local authorities, NHS Boards and Scottish Water to invest in a range of energy efficiency projects. This funding was provided from 2004-06 and split, with £15 million going to local authorities; £4 million to NHS Boards (plus a further £450,000 in revenue resources from NHSScotland); and £1 million for Scottish Water. Individual bodies manage their own CEEF pot. While an independent evaluation of CEEF in 2006 showed that the initiative would fail to meet its original target of 500 ktCO₂ reduction and £70 million energy savings by 2009, the fund has nevertheless proved very successful. Over 1,300 projects have been implemented and the scheme is highly regarded by energy managers who may not otherwise have capital readily available for energy saving projects.

9.15 A further £4 million was made available to the higher and further education sector in 2008-09 and distributed through a competitive bidding process, with match funding required from applicants to demonstrate commitment. These funds are managed by Salix Finance on the Scottish Government's behalf.

Leading by Example

9.16 The Leading By Example initiative was established by the Scottish Government to raise the environmental performance of the public sector, including its energy use. As part of the programme, the Permanent Secretary chairs two separate, but complementary, high level groups. The overall remit of both groups is to examine environmental performance across the Scottish public sector and to put in place appropriate actions and measures to ensure that the sector demonstrates leadership. The Internal Group comprises of Scottish Government officials and is looking specifically at the Scottish Government's performance. The complementary External Group includes much wider representation to capture the knowledge and expertise that exists in the sector as a whole. The shared knowledge and actions of both groups will ensure conformity of approach across the public sector, based upon robust environmental performance standards and management policies.

Local Authorities

9.17 Local authorities continue to utilise CEEF funding, which can now be used for renewables projects, as well as more conventional energy saving measures. Issues around CEEF and energy management in general are discussed at the Scottish Energy Officers Network (SEON), which meets every two months.

9.18 Through Scotland's Climate Change Declaration, all 32 Scottish local authorities have committed to contribute to the delivery of Scotland and the UK's climate change programmes. This includes a commitment to achieving a significant reduction in greenhouse gas emissions from local authority operations, including energy use.

9.19 Many local authorities have included measures to tackle energy efficiency at the local level in Single Outcome Agreements with their community planning partners.

NHSScotland

9.20 The Scottish Government continues to drive energy efficiency within NHSScotland through the provision of guidance, education and expert advice for NHS Boards from Health

Facilities Scotland. Energy reduction is delivered through existing CEEF money, participation in the EU Emissions Trading System and, in some cases, through undertaking the Carbon Trust's Carbon Management Programme. Nine NHS Boards have completed this to date, with one further Board participating this year.

9.21 In terms of funding, the Scottish Government Health Directorate has made £15 million available over three years to support significant emissions saving projects, including energy efficiency measures, within NHS Boards. Two energy manager posts have also been funded to support NHS Boards in their efforts to make energy savings.

9.22 NHSScotland currently has a national objective to reduce energy consumption by 2% per annum (climatically adjusted) over the nine-year period 2001-2010, with individual NHS Boards also required to establish local action plans and policies to address energy efficiency. Furthermore, the Scottish Government has set NHS Boards a HEAT performance target (Health Improvement, Efficiency and Governance, Access, Treatment) on energy consumption reduction for 2009-10, to be delivered through the continuation of the national 2% reduction target. While NHSScotland's performance in terms of energy efficiency has been sustained at a high level for many years, with a cumulative reduction in energy consumption of over 42% since 1985-86, the follow-up HEAT target for 2010-11 is expected to include a continuing target for reducing energy use.

9.23 Both NHSScotland's energy performance and the standard of its monitoring and reporting are regarded as among the best in the Scottish public sector. Energy consumption is collated and published annually by Health Facilities Scotland, with individual Boards inputting hospital data into the eMART system (Environmental Monitoring and Reporting Tool - see section on monitoring and reporting below).

9.24 Several other mechanisms are in place to help ensure energy efficiency is accounted for on the Scottish healthcare estate. NHS Boards are advised to use the EnCO₂de guidance document as a means to ensure that everyone involved in managing, procuring and using NHSScotland buildings and equipment thinks about the implications of energy use.¹⁵⁴ Best practice is shared through an Energy and Natural Resources group comprising estates staff who meet regularly to discuss policy. Meanwhile, Health Facilities Scotland are developing a Sustainable Buildings Guide, which will provide guidance on the construction and management of the healthcare estate. In conjunction with the Carbon Trust, this will produce a Fabric Insulation Guide to emphasise the importance of improving the insulation of existing buildings.

Greener schools initiative

9.25 There are over 2,700 schools across Scotland, with a gross internal floor area of around eight million square metres. Consequently, creating a sustainable, energy efficient school estate is an important end in itself. In addition, it is also important to recognise the educational potential of 'green' school buildings and facilities which can directly influence the behaviours and attitudes of those who spend time in and interact with them. This includes 680,000 pupils who attend school on a daily basis for at least 11 years of their lives, their one million parents and carers, the 75,000 staff who work in schools, and the many thousands of community users of school facilities. (See Chapter 5 for influencing attitudes and behaviours, including through school curricular measures.)

9.26 The Scottish Government announced a package of measures in January 2009 to help authorities create a more sustainable school estate. This includes the Carbon Trust initiative to upskill local authorities to ensure they can secure sustainable school design (see

¹⁵⁴ See: www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_4131671.

section on public sector procurement below) and the work of two School Renewable Development Officers. These are funded by the Scottish Government to work with local authorities to promote and support the increased uptake of sustainable energy measures in schools, specifically micro-renewables and any accompanying energy efficiency measures. A web-based sustainable schools 'knowledge base' is also being developed to provide further advice and guidance for local authorities and school design teams, including examples of good practice in sustainable school design, construction and management.

9.27 The new School Estate Strategy, 'Building Better Schools: Investing in Scotland's Future', was published on 28 September 2009. This new strategy sets out the Government and COSLA's joint vision for the future of Scotland's schools to ensure that they are equipped to meet the needs of children, teachers and local community alike. Environmental sustainability is one of the key guiding principles of the strategy. It will help to create and maintain a school estate which is greener, more sustainable and environmentally efficient, and allow the school estate to contribute to climate change targets, as appropriate.

Scottish Government Agencies and Public Bodies

9.28 Government agencies can have a role to play in improving Scotland's energy efficiency through their policy and regulatory responsibilities, and as part of the Leading by Example agenda.

9.29 Historic Scotland, Forestry Commission Scotland, Scottish Natural Heritage (SNH) and the Scottish Environment Protection Agency (SEPA) have developed a Joint Position Statement on climate change and have agreed to work together on issues that affect the natural and historic environment. Beyond reducing their own energy consumption, as described in previous chapters, Historic Scotland provides guidance on energy efficiency in traditional and historic buildings. Detail on Historic Scotland's guidance for traditional homes can be found in Chapter 6.

9.30 SEPA has already graduated from the Carbon Management Programme. Some agencies with a smaller energy use, such as SNH, are now undertaking the Carbon Management Lite offering. Historic Scotland is reviewing energy usage in its offices and in properties in the care of Scottish Ministers to investigate ways to reduce energy consumption.

Box 9.2 Scottish Court Service, Glasgow Sheriff Court sustainability measures

The Scottish Court Service is committed to reducing the impact which court buildings have on the environment, and there has been considerable progress in recent years in recycling and reducing power and other utility consumption. The roof of Glasgow Sheriff Court is now home to Scotland's largest solar panel generating system. With ninety-seven kilowatts of generating capacity, it can, along with other energy efficient measures in place, provide around one fifth of the building's electricity demand. Upgrading the buildings management systems for better environmental impact and installing automated lighting controls are two important initiatives which have had a significant impact on saving CO₂ as well as contributing to Efficient Government targets.

Police Forces

9.31 Some of the larger police forces, particularly those that will be subject to the Carbon Reduction Commitment, are taking part in the Carbon Management Programme and are keen to reduce energy usage. As a large proportion of forces' energy use is from transport, they are especially supportive of initiatives to save costs and cut emissions in this area, such as increasing use of videoconferencing. They are also engaging with other blue light services to examine ways to reduce fuel use from the police transport fleet. In terms of reporting, it is understood that energy use by Scottish police forces is not held centrally. This should be addressed going forward.

Q 36: Should the Scottish Government use regulation to ensure public bodies undertake energy efficiency measures and place greater emphasis on energy efficiency in their policies?

Q 37: Should energy efficiency targets be set for the public sector as a whole or for individual organisations?

Public Sector Procurement

9.32 The way public sector bodies purchase goods and services should give full consideration to whole-life energy use. In October 2008, the Scottish Government issued and encouraged the use of the “Buy Sustainable – Quick Wins” specifications for use in public sector contracts. These specifications can easily be incorporated into ‘Invitation to Tender’ documentation for the product groups they cover, which include office machinery, IT equipment and vehicles, and offer energy efficient outcomes.

9.33 In terms of public sector buildings, the Carbon Trust is working with a number of public sector bodies to help them procure low-carbon buildings, including the new Southern General Hospital and Commonwealth Games village in Glasgow, schools in Moray and North Lanarkshire, and a new headquarters for Strathclyde Fire and Rescue. Carbon Trust consultants aim to support the client project teams by embedding the knowledge in their organisation to replicate the sustainable building procurement process in the future. This work builds on the successful involvement of the Carbon Trust in an Inverclyde Council schools project, which helped the Council secure schools which are expected to have a carbon footprint 30% lower than conventional schools.

9.34 A sector-wide offering, in the same vein as the Carbon Management Programme, could be useful in reducing emissions from public sector buildings, especially in light of Climate Change (Scotland) Act requirements for the public sector to procure only buildings which are in the top quartile of energy performance.

9.35 This legislative requirement, coupled with the embedding of sustainable procurement in the public sector, could have a positive impact upon the wider commercial building market. If the market has confidence that energy efficient buildings will have a high occupancy rate and be in demand from the public sector, this will make such buildings attractive to both property developers and potential owners.

Q 38: Should training on the procurement of energy efficient, low-carbon buildings be rolled out across the public sector? And are there other low-cost measures which would achieve similar outcomes?

Efficiency and Transformational Government

9.36 In support of its Strategic Objectives, the Scottish Government is committed to ensuring public services are continually improving, efficient, and responsive to local people's needs. To improve the quality of public services and the productivity of the public sector in Scotland, it will be necessary to reduce waste and duplication. The Scottish Government has therefore set a National Indicator to ‘Improve public sector efficiency through the generation of 2% cash-releasing efficiency savings per annum’. This aims to deliver efficiency gains of at least £534m in 2008-09, £1,089m in 2009-10 and £1,603m in 2010-11.

9.37 The associated Efficiency and Transformational Government work programmes aim to foster a culture within public bodies that helps them to focus on their key purpose of delivering high quality services which improve lives for people in Scotland and values

efficient ways of working. Public bodies are encouraged to achieve efficiencies collectively, for instance by sharing services and working together to achieve better outcomes for people in Scotland.

9.38 While it is not an explicit aim of Efficiency and Transformational Government, the Scottish Government recognises that, by taking steps to improve energy efficiency, public sector bodies can release cash and other resources that can be ploughed back into delivering better services and help to meet Efficient Government targets.

Other sources of advice

9.39 The Energy Saving Trust (EST) provides energy saving advice to local authority staff, with a focus on encouraging behavioural change, both in the workplace and in their homes. It is expected that eight Scottish Councils will have taken part in this by the end of 2009. While the advice offered is of a general nature and is not job-specific, the provision of this service to all local authorities would be another useful tool in promoting energy efficiency and should be considered, working with COSLA to achieve this.

9.40 Advice on developing an effective Travel Plan is available for all public sector organisations, with many bodies also eligible for a Green Fleet Review. These tools help organisations to promote greener travel choices and identify fuel efficiency and mileage reduction measures where possible. More details can be found in Chapter 11 (Changing how we use our Transport System).

Q 39: Should energy saving advice be rolled out to staff in all large public sector organisations?

If so, should that advice include only general energy saving information, or should more job-specific advice be developed for staff whose role impacts upon energy consumption on a more significant level (e.g. planners, procurement officers)?

Going forward

Carbon Reduction Commitment

9.41 Many large public sector organisations will be included in the Carbon Reduction Commitment (CRC), a mandatory UK-wide scheme which comes into force in April 2010. Using a league table, the scheme will financially reward the top performers for energy and carbon savings, and penalise those bodies that perform badly. From a presentational Leading by Example perspective, as well as a financial imperative, it is vital that the public sector in Scotland performs well in this.

9.42 Organisations' starting position in the league table will depend wholly on two early action metrics: Carbon Trust Standard accreditation and the installation of automated meter reading equipment (AMR). The Scottish Government will therefore encourage the public sector to implement these metrics, particularly AMR. This will allow for more accurate reading of energy usage and, it is hoped, better targeting of energy efficiency measures. AMR will shortly be eligible for CEEF expenditure, which will help many Scottish participants in the CRC.

Monitoring and Reporting

9.43 There is a growing need to improve the quality of energy consumption monitoring and reporting in the public sector. While some parts of the sector are thought to perform well in this area, Audit Scotland has already criticised the sector's overall performance. Greater

consistency will be necessary going forward, in order to meet the reporting requirements of the Climate Change (Scotland) Act.

9.44 The Leading by Example High Level Group has commissioned a review of environmental reporting across the wider public sector in Scotland. This will look at how best to meet the various reporting requirements placed upon it in a cost-effective way that supports the Government's ambitions for the public sector to lead by example on its environmental performance and improve value for money by using resources more efficiently. From an energy efficiency perspective, the key outcome will be for each participant organisation to monitor its energy performance and report this in a manner consistent with other public bodies.

9.45 As well as looking at greater standardisation of reporting standards, the review will consider the scope for making greater use of new or existing monitoring or reporting tools.

9.46 One such tool is Health Facilities Scotland's eMART. The High Level Group has recently approved a pilot to look at whether using eMART across the wider public sector could help improve the consistency and robustness of environmental reporting, including on energy efficiency. The pilot includes six public bodies, one of them a local authority, and is due to report within the current financial year.

9.47 Another tool is the e-PIMS (electronic Property Information Mapping Service) system. A Review of Public Sector Asset Management, focused on the Scottish Government's own estate, recommended that 'a *mandatory, single, comprehensive database of property information*' should be maintained and noted that '*the e-PIMS [...] system should continue to be used as it provides a database of basic asset management information at minimum cost.*'¹⁵⁵ This system, which has undergone considerable improvement since the Review, allows for a single, comprehensive database of civil estate properties. While not solely focusing on environmental monitoring, it does include information such as energy consumption as part of its wider information management remit. The system may be used to report under the Climate Change (Scotland) Act provision that requires Ministers to assess progress made towards improving the efficiency and sustainability of buildings that are part of the Scottish civil estate.

9.48 e-PIMS is already mandatory for the UK Government, and Wales and Northern Ireland have committed to using the system. This will allow for benchmarking and data comparison across the UK, which will be useful as Scotland strives to be an exemplar in public sector energy efficiency. Seventy public bodies have already been approached by the Scottish Government, requesting data to be input onto the e-PIMS system. The presumption is that e-PIMS should be used across the whole of the Scottish Government and associated public bodies, except where specific factors suggest otherwise, such as the special purpose facilities and pre-existing systems of NHSScotland.

9.49 As already mentioned, the Scottish Government will encourage public bodies to install AMR equipment. The early adoption of both AMR and more advanced smart metering will allow for more accurate monitoring of energy consumption and therefore help energy managers identify where savings can be most effectively targeted. Beyond this, it will allow the public sector to build up and share knowledge on smart meters ahead of their wider roll-out to the domestic and non-domestic sectors.

9.50 There are several drivers for reducing energy consumption in the public sector, and energy efficiency is now arguably of increasing corporate and strategic importance to

¹⁵⁵ See: www.scotland.gov.uk/Resource/Doc/82980/0055634.pdf

organisations. We should, therefore, consider whether action and progress to reduce energy consumption and greenhouse gas emissions should be raised by all public bodies at their internal board meetings, on a quarterly or six-monthly basis. This would also allow board members and senior managers to assess how their organisation compares against national energy efficiency targets.

Q 40: Should the Scottish Government introduce greater standardisation of how energy performance is measured and reported across the wider public sector, including the possibility of mandating particular monitoring and reporting tool(s) that enable comparability while meeting the specific needs of particular organisations?

Q 41: Should the Scottish Government seek commitment from all public sector bodies to report energy efficiency progress at their regular board meetings?

Carbon Management 'Phase II'

9.51 It is thought that most organisations suited to the full Carbon Management Programme have now completed it, or are participating in 2009/10. This raises the question of how to ensure continued carbon savings are achieved, including the deeper emissions cuts for which the Climate Change (Scotland) Act calls. In many cases, this will require more radical energy efficiency measures to be considered than those which formed the basis of earlier Carbon Management Plans.

9.52 While recent Plans are generally ambitious, organisations that completed the Programme in earlier years may now find their Plans are in need of refreshing. Last year the Carbon Trust piloted with Highland Council a follow-on offering that not only refreshes the Carbon Management Plan, but also broadens its scope to include the wider community. Going forward, the Carbon Trust will consider whether this approach would benefit more organisations, in particular local authorities, and how a second phase of Carbon Management should look.

Q 42: In your view, what should a follow-up to the Carbon Management Programme include?

Issues and gaps in policy

Smaller public bodies

9.53 While Carbon Management Lite currently has no lower energy or carbon threshold, the Carbon Trust will continue to aim for cost-effective carbon savings. This could potentially rule out some of the smallest bodies going through the programme. As the Scottish Government is aiming for the public sector as a whole to improve its energy performance and demonstrate leadership, this may leave a gap. This situation will be monitored closely.

9.54 If such a gap does appear, it will be necessary to decide on the best delivery route for advice. As the Carbon Trust already supports much of the Scottish public sector, it is the obvious choice, though it may need to exercise some flexibility on cost effectiveness of carbon savings. Another option may be the Energy Saving Trust, which currently offers advice to householders and SMEs through the Energy Saving Scotland advice network. It may be that the smallest public bodies, with perhaps only one office, have an energy profile closer to that of a small business than to larger organisations in their own sector.

Q 43: Which delivery route would be most suitable for energy saving advice to the smallest public sector bodies? The Carbon Trust (through Carbon Management Lite), EST or some other mechanism?

Funding

9.55 As with other sectors, availability of funding is a key barrier to improving energy performance in the public sector, with a number of policy areas competing for funding and any expenditure needing to demonstrate value for taxpayers' money. While energy efficiency is often the most cost-effective way to achieve carbon savings, there can be reluctance to invest-to-save, especially when this may detract from frontline services.

9.56 The Scottish Government has been approached by several public bodies, including some that did not receive money from CEEF, requesting funding for energy efficiency projects. It is unlikely that new funding for capital projects will be available in the short term, with energy efficiency expenditure currently targeted at those who need it most, such as the fuel-poor. However, this should not mean that the public sector cannot effectively contribute to energy efficiency targets.

9.57 As CEEF is a revolving loans fund, most organisations who received this funding stream still have financial resources available; in certain cases a considerable proportion of their original funding remains unspent. The Scottish Government will engage with COSLA, Health Facilities Scotland and Scottish Water to encourage finance directors to capitalise on the invest-to-save potential of any remaining CEEF money.

9.58 In the case of non-CEEF organisations, and in the absence of immediate new funding, it will be vital to engage with the finance directors of public bodies through mechanisms such as the Leading by Example initiative. The Scottish Government expects finance directors to recognise the need for organisations to reduce their energy consumption, and for them to consider funding options based upon invest-to-save principles.

9.59 Should funding become available, a competitive bidding process may be fairer than simply handing out money, especially given the slow pace with which some organisations have spent their CEEF funds. This could be managed in a similar way to the existing loans support for further and higher education (e.g. through a third-party provider). Consideration would have to be given as to whether running two parallel public sector loans funds, available to some of the same organisations, would be cost effective or could lead to an unnecessary administrative burden on those organisations.

Q 44: How should public sector bodies be funded to deliver energy efficiency improvements? Should organisations wishing to invest in energy saving measures provide co-funding?

Q 45: What more should the Scottish Government and the public sector as a whole do to meet Audit Scotland's concerns? (e.g. so that clear guidance is provided on energy efficiency action required of the public sector, that monitoring and reporting is improved and that energy efficiency best practice is disseminated across the sector)?