Scottish Water Consultation Response
May 25

Putting Climate Change Duties into Practice

General Comments
Thank you for the opportunity to comment on the proposed statutory guidance for public bodies. Scottish Water is identified as a 'major player' in The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015 and continues to work to meet the statutory duties placed upon them by the Climate Change (Scotland) Act 2009. Since the issue of the previous statutory guidance in 2011 there have been significant changes in the ambition and goals (notably net zero by 2045), the risks and impacts of climate change, and in the various measures that public bodies must engage with (public bodies reporting on climate change, Scottish National Adaptation Plan, Climate Change Plan, National Biodiversity Strategy etc). This is a complex area, and we welcome the comprehensive nature of the document as a significant enhancement on previous guidance across mitigation and adaptation to support public bodies in discharging their duties under the Act. The document draws heavily on global and national research, technical guidance, tools and data sets that public bodies may consider. This is helpful for wider context, but the guidance could be more directed in some areas with respect to mandatory expectations to help simplify the priorities for public bodies. For example, the clarity of Scottish Government expectations in measures such as the annual public body climate change reporting process, with templates and data managed through the Sustainable Scotland Network, coupled with direction given to public bodies by the Cabinet Secretary have helped to embed improved reporting across public bodies in recent years. We would suggest further consideration is given to whether clarity on public body responsibilities under the Biodiversity Duty might also be included. Presently there is limited guidance around this, or the 3-yearly reporting requirements, but with nature and biodiversity integral to carbon capture and climate resilience (and referenced in the current consultation) it would make sense to align. With a significant annual carbon footprint of over 200,000 tonnes CO_2e, Scottish Water appreciates the need for large public bodies to take a lead role in supporting the Scottish Government's objectives. To that end, Scottish Water has: • Established a Net Zero Routemap[1] in 2020, with a 20-year plan to achieve Net Zero by 2040 across operational, investment and land emissions. • Reduced operational emissions by 52% since 2006/07 • Published a Climate Change Adaptation Plan[2], based on the outputs of our latest climate change risk assessment, and which is informing future investment. • Provided an overview of carbon, climate change and sustainability in our

[1] Intro - Net Zero
[2] 290224ScottishWaterAdaptationPlan.pdf

annual report[3]

In addition, our most recent statutory Biodiversity Report emphasised the link between nature, carbon and climate change, highlighting the importance of resilient natural landscapes that capture carbon[4].

Public bodies cannot successfully adapt or mitigate climate change alone. There is a need for common approaches and shared learning to support progress across Scotland. For mitigation this may be in supporting low carbon public procurement, giving suppliers confidence to develop low carbon options. In the case of adaptation there may be opportunities to deliver more cost-effective adaptation if there is a common view of the climate scenarios we must adapt to.

We therefore welcome the breadth of guidance on assessing, planning, delivering and reporting on climate change adaptation and mitigation – sharing this across public bodies will support the wider adoption of good practice.

Key areas that Scottish Water would highlight are:

- Leadership and Governance (section 4 of the document) is one of the most important elements of the guidance. Aligned leadership from government, regulators, board and stakeholders focussed on a common view of the importance of adaptation and mitigation has been a key factor supporting the activities Scottish Water has delivered on climate change and carbon, embedding them within corporate goals, business and investment plans.

- Mitigation – the establishment of baseline carbon performance across all activities and using this to develop a routemap to net zero setting out pathways, priorities, activities and dependencies, linked to measuring and reporting performance is critical, and we welcome the focus around this in section 5.

- Adaptation – setting clear climate scenarios and risk assessments based on long term service and asset needs, integrating this into service and investment planning, appraisal and policies is vital to enable strategic adaptation plans to be developed. Section 6 on adaptation provides important guidance on whole system approaches. Scottish Water has recently partnered with Network Rail, power, transport and other sectors to develop a Scottish infrastructure Adaptation forum to reflect the need to manage interdependent risks across critical infrastructure.

- Land and nature – this is reflected at points through the document for mitigation and adaptation, but we feel there is a stronger link to make between the functioning of landscapes and the importance of resilient natural landscapes in adapting to climate change (water quality, flooding in rural and urban areas), mitigating climate change (capturing and holding carbon) as well as wider biodiversity and societal wellbeing. This should be at the heart of system level thinking in section 4, particularly for public bodies who own land or have duties around planning.

[3] 140721SustainabilityReport2012.pdf
[4] Scottish Water Biodiversity Report 2023

- Partnership working – we feel there could be more emphasis on the need for strong and committed partnership working between public bodies and with other sectors to support cost-effective adaptation and mitigation action. Good examples from the water and drainage sector include the Metropolitan Glasgow Sustainable Drainage Partnership, as well as partnerships between Scottish Water and others on land management, energy and heat generation.

We note that this is an advisory document to assist public bodies to fulfil their legal duties and recognise it replaces the 2011 statutory guidance. Given the wide range of public bodies in terms of size and function this is appropriate.

Additionally, we note that carbon and climate change are inherently uncertain and require significant innovation. The guidance should therefore be broad enough to enable public bodies to develop approaches consistent with the overall aims of net zero.

1.	With respect to the protected characteristics, could the content of the statutory guidance be changed or added to, to strengthen any positive impacts or lessen any negative impacts as it is implemented by public bodies?
Scottish Water has no comment	
2.	With respect to inequality caused by socio-economic disadvantage, could the content of the statutory guidance be changed or added to, to strengthen any positive impacts or lessen any negative impacts as it is implemented by public bodies?
Climate change will impact different sectors of society in different ways. The impact of climate change and the approach to adaptation must therefore consider the risks and responses public bodies might make to ensure the needs of different socio-economic groups are appropriately considered. The guidance provided in section 3 is helpful in framing this around health and wellbeing outcomes.	
3.	Does the guidance make it clear how public bodies can fulfil the requirement to 'best calculate' the climate impact of their actions?
The guidance outlines methods to calculate the climate impact of activities and the main things to consider, which can be helpful to start planning the calculations. However, it does this by linking to external guides, tools and data sources and is not standalone. Given that this will need to exist for a long time it may need to be reviewed regularly to ensure links and documents are updated. One area of “best practice” suggested is the Taskforce on Climate Related Disclosures (TFCD). Whilst this is high level reporting, it may be worth considering strengthening this recommendation – our experience is that it does force an organisation to set out in strategic terms the risks it faces in terms of service delivery and organisational performance, and how climate and carbon inform decision making at each level within an organisation. For climate change mitigation we would support the sources highlighted for assessing and reporting carbon. We have recently received accreditation with PAS:2080 (2023). Whilst not appropriate for many public bodies, some stronger reference to external	

standards and verification of approaches may be useful.

The procurement section could be strengthened – we cannot deliver alone but need suppliers to bring low carbon options to the market. The more public bodies seek low carbon services and materials, the greater the incentive for the market. Further guidance could be given on the sorts of measures that could be pursued. For example, within its delivery partner and supplier frameworks Scottish Water has set specific expectations on reporting the carbon embodied in services and materials procured and requires suppliers to produce carbon plans for improvement. Delivery partners are expected to sign up to supporting Scottish Water's net zero targets and to develop options for reducing carbon. We note there will be a further guide on sustainable procurement and would be happy to inform it.

4.	Does the guidance make it clear how public bodies should take future climate scenarios into account when making plans and investment decisions?

Scottish Water welcomes the clear and concise guidance of the minimum steps that a public body should take. In 6.3.4 providing a link to the SNAP3 Shiny App scotland.shinyapps.io/sg-scottish-national-adaptation-plan-3/, would also be helpful, as this app which makes it clear which policy areas are linked to each stakeholder.

Common Climate Pathways

The guidance recommends public bodies "*seek to understand what a 2°C and 4°C scenario will mean for organisational climate risk at multiple points in the future (e.g. 2050s and 2080s), apply these findings to adaptation plans, and where possible make publicly available what climate futures they are planning for*". We feel this is vital and suggest should be a mandatory requirement.

A common view of future climate risks and approaches across organisations, especially those with key infrastructure (water, transport, power, land), combined with a requirement to consider interdependent risks and opportunities is critical. Cost-effective pathways to deliver climate resilient services means we will need to collaborate with others to manage water resources, quality and flooding across rural and urban landscapes. This demands we collaborate with others, especially when understanding interdependent and cascading climate change risks, and identifying and developing strategic resilient options.

This could be made an explicit requirement of public bodies to state how they have considered 2- and 4-degrees pathways for future climate change as part of the public body reporting requirements.

Scottish Water has already applied this, based on Climate Change Committee advice, and our climate change risk assessment and strategic investment planning assumes 2 degrees of warming by 2050 (UKCP18 RCP6) and 4 degrees of warming by 2080 (RCP8.5). The outputs from this risk assessment alongside Scottish Water's resultant plan to adapt to these risks was published in March 2024 in our Climate Change Adaptation Plan.

Supporting Collaboration and Partnership

We welcome the focus on collaboration for adaptation but there may be a case for further support from the Scottish Government to collaborative groups, for example the Climate Ready Infrastructure Scotland Forum. The guidance suggests that each public body should "Identify and contact priority member organisations or individuals that can support your adaptation work". This will risk missing things or not making connections to relevant groups, and a more effective approach may be for the Scottish Government (or Adaptation Scotland) to support a strategic network / database of organisations and collaborative groups centrally.

Non-Schedule 1 organisations

It would be helpful to understand if there are further requirements for organisations not named in schedule 1 of the Climate Change Act (Scotland) 2009 to be involved in the collaborative adaptation partnerships. Examples include key infrastructure providers which are not publicly owned, such as those providing power, gas and telecoms.

Noting these are covered under reserved powers, we would suggest further consideration is given in line with SNAP3 to promote closer engagement and collaborative approaches between public bodies and these key infrastructure organisations.

5.	Do you have any comments about the guidance provided in this chapter on complying with the first duty?

Overall the guidance is clear and comprehensive and covers many options that public bodies can consider. We are pleased it recognises there may be different levels of analysis based on materiality of emissions to an organisation, and the explanations of approaches that institutions might take to Scope 1, 2 and 3. The university case example is helpful in framing the materiality of Scope 3 and the reliance on supply chains.

Net Zero and Scopes 1, 2 and 3

In terms of setting net zero targets for scope 1 and 2 for not later than 2045, there could be further guidance or examples for how Scope 3 might be included. Supply chain action is noted as additional "best practice", but a stronger expectation might be placed on public bodies to seek carbon data from their suppliers relevant to their investment. Across the public sector there is significant procurement power, and whilst the examples provided suggest alignment of supply chains with 1.5 degrees. We feel there could be further advice or examples of this.

Recognising materiality, this would probably be more relevant to significant public procurement and capital investment in infrastructure. With the prospect of Carbon Border Taxes making high carbon materials more expensive in future (particularly for construction), taking steps now is sensible to minimise costs in future, and it would be useful to provide this wider context.

"Insetting"

We welcome reference to the opportunity for public bodies to "net off" emissions they

cannot eliminate within heir landholdings throigh carbon capture. The guidance makes the point that to do so a public body needs to reflect carbon losses as well as gains (e.g. “credit” cannot be claimed for restoring peat on its own land without recognising it was previously emitting). We would suggest the guidance could illustrate the sort of approach taken by Scottish Water to develop (with academic experts) a land carbon inventory to help target losses and gains of carbon.

Within this there is a need to recognise that there are uncertainties and significant complexity, but also that there are multiple potential benefits – climate resilient landscapes and biodiversity as well as carbon. It is extremely important that guidance is simple and incentivises public bodies to make such improvements on their land.

Working at home / commuting

We note there is guidance to include commuting and home working within the organisational emissions boundary. Scottish Water’s operational boundary is aligned with the long-established boundary, workbooks and methods used across the UK water sector. At present, such emissions are excluded, and we will need to consider how this might be done appropriately, and what actions we might take to improve this.

6.	Do you think the Carbon Management Plan template is suitable for its intended purpose? (Annex A - template Carbon Management Plan: 'baseline' plan aimed at smaller public bodies)

The template feels suitably comprehensive but also generic enough to be applied to most public bodies across the principal Scope 1 and 2 areas.

Scottish Water largely aligns with this approach through its Net Zero Routemap, structured more specifically around operational emissions, investment emissions and land emissions. We would not propose to change our approach but are content it will align with any reporting outcomes under the public body duty.

7.	Do you think the Climate Change Plan template for local authorities is suitable for its intended purpose? (Annex B – template Climate Change Plan for local authorities)

As Scottish Water is not a local authority, we have no comment

8.	The guidance lays out an approach whereby public bodies should review the Scottish National Adaptation Plan (SNAP); identify the objectives relevant to them; contribute towards those objectives; and, where relevant, report annually on progress in their public bodies' climate change duties report. To what extent do you agree with this proposed approach?

Scottish Water agrees with the proposed approach.

Use of the SNAP 3 shiny app (scotland.shinyapps.io/sg-scottish-national-adaptation-plan-3/) makes it easy for stakeholders to clearly identify which SNAP policies they are responsible for contributing towards. With a clear requirement to report upon contribution towards those via the PBCCD report, this should provide Scotland with both the best chance of achieving the 5 outcomes of the SNAP3 whilst also providing a trail of evidence on progress to enable understanding of the effectiveness of actions, or

where further steps may be needed.

It may be appropriate for public bodies to be asked note in their public body duty reports how they have contributed to SNAP delivery, thereby further informing the annual reports of progress for SNAP.

9.	Do you have any other comments about the guidance provided in this chapter about complying with the second duty?

Scottish Water appreciates that this guidance recommends that public bodies should seek to understand what a 2°C and 4°C scenario will mean for organisational climate risk at multiple points in the future (e.g. 2050s and 2080s), apply these findings to adaptation plans, and where possible make publicly available what climate futures they are planning for. We strongly support this outcome and note that common scenario planning for 2 and 4 degrees and across longer timelines is a recommendation from the recent Climate X Change / UK Government Actuarial Office[5] work.

This will encourage a consistent approach which will be key for collaborative climate change adaptation action. Scottish Water has published the outputs of our climate change risk assessment for 2 degrees of warming by 2050 and 4 degrees by 2080 in 2024 in our Climate Change Adaptation Plan.

10.	Having considered the content of the chapter, is it clear how public bodies should implement the third duty, to act in the most sustainable way?

Scottish Water does not feel it is sufficiently clear how this duty is to be implemented, and we would expect there to be a lot of different approaches which may make it difficult to compare how the public sector is doing.

The chapter makes an excellent point in 7.3.1 that "…*there is no checklist or recipe for sustainable development*". However the wide-ranging coverage of very strategic and global views of sustainability concepts; modes of thinking to promote sustainability; and the range of policies and performance objectives for Scotland, may not give adequate direction of what "good" might look like for a public body in meeting this duty and reporting progress.

Whilst it is important that public bodies define much of this for themselves, the guidance could be simplified to help align approaches. Some areas for improvement might be:

Clarifying Scope
We infer that the sustainability duty extends to (1) the discharge of duties/core service outcomes, and (2) to the way we provide those services would need to align with the principles of sustainable development – is this correct? Being clear on this point would help public bodies focus on their activities, how they deliver them, and where they can act to be more sustainable.

Simplifying approaches
The text describes the UK framework as "principles" before moving on to refer to

[5] Using future climate scenarios to support today's decision making

various assessment tools. However the principles may be helpful as a starting point for more structured/directed guidance to help public bodies begin to focus on where and how their activities need to consider sustainability. For example (not exhaustive), in discharging its duties is the public body aware of or focussed on:

- Living Within Environmental Limits – natural resource use, land use, waste arisings, natural capital state of owned land, land use etc, which would enable metrics and goals to be set for improvement
- Ensuring a strong, healthy and just society – the impact of their services on society; the wellbeing of workforce; communication and engagement with customers/public
- Achieving a sustainable economy – resource intensity per unit of spend; sustainable procurement choices; planning decisions that live within environmental limits
- Using sound science responsibly – data and analysis across climate change, health and the environment that informs the actions of the public body
- Promoting good governance – board and executive level visibility and ownership; decision frameworks; cost-benefit assessments and approaches; transparency and reporting

As a starting point it should be relatively straightforward for a public body to compile a framework around these areas.

11.	Do you have any other comments about this chapter?

Scottish Water has no further comments

12.	To what extent do you agree with the proposed baseline reporting of the scope 3 emission categories as outlined?

Overall Scottish Water agrees with the approach and principles set out, noting that progress needs to be made and more areas will be added in due course. Scottish Water has gone further in defining the emissions embodies in its capital investment activities as within its net zero boundary. This means we report annually the carbon intensity (emissions per unit of spend) and the overall emissions arising from delivery of our capital programme through our supply chain.

There remain aspects of scope 3 that we are still developing, notably the use of chemicals in water and wastewater treatment and we anticipate these will form part of our footprint over the next 2-3 years.

Presently, Scottish Water does not report home working or home to work commuting. These are outwith our current net zero goals and outwith the water sector operational boundary, against which we are benchmarked. They seem comprehensive and all public bodies are likely to have carbon emissions in all the highlighted categories. Scottish Water currently reports in most of the recommended categories and is actively working on improving and expanding our reporting. We will explore how they might be included in public body reporting, and any steps we might take to manage, but will not include them in our net zero routemap.

For large organisations, with substantial operational carbon footprints, it will be important to take a proportional approach to the quantification and reporting of scope 3 emissions.	
13.	Do you think that any other categories of scope 3 emissions should be included in the recommended baseline for reporting, where these are relevant and applicable?
In line with comments elsewhere in this document, Scottish Public bodies have a significant role in public procurement, and expanding category 1 (purchased goods and services) focussed on materials that are used in the main activities of the organisations would be sensible. Often the biggest challenge is in accessing data either from national sources (e.g. Bath university/Institute of Civil engineers embodied carbon data sets), or in the carbon labelling of purchased products. Data will not be comprehensive at the start, but if public bodies were to identify the main items they procure, it would not be unreasonable for them to ask suppliers to also provide carbon data to support future reporting.	
14.	Do you think that the guidance fulfils its stated purpose of providing support to public bodies in putting the climate change duties into practice?
The guidance is extensive and comprehensive reflecting the complexity of the issues across carbon, climate change and sustainability, and the breadth of public bodies covered. It may be necessary to simplify areas that are mandatory expectations vs guidance for consideration and interpretation relevant to the individual public body.	
15.	Do you have any further comments about the guidance?
See initial comments above.	

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