

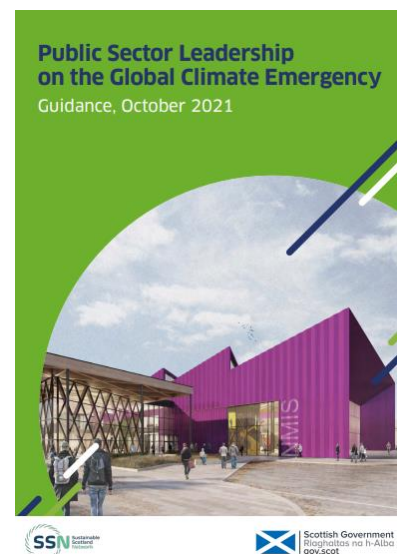
# Briefing Paper: New PBCCD Reporting Guidance for 2022

December 2021

## **Legislative update**

The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Amendment Order 2020 requires that from November 2022 Public Bodies Climate Change Duties (PBCCD) reports will have to include:

- The body's target date for achieving zero direct emissions of greenhouse gases,
- Targets for reducing indirect emissions of greenhouse gases,
- How the body will align its spending plans and use of resources to contribute to reducing emissions and delivering its emissions reduction targets,
- How the body will publish its progress on delivering reduction targets, and
- Where applicable, what contribution the body has made to deliver Scotland's Climate Change Adaptation Programme.



The Scottish Government recently launched supporting interim non-statutory guidance entitled [Public Sector Leadership on the Global Climate Emergency](#). EAUC-Scotland was part of the working group that developed the guidance.

Its aim is to engage the leaders of Scotland's public bodies in the key role they have to play in the crucial period to 2030 in the shared national endeavour to tackle the global crises of health, climate emergency and biodiversity loss.

## **Key expectations**

The guidance outlines key expectations and best practice in relation to meeting the statutory duties.

**Governance:** Institutional boards and senior executive teams must ensure that climate change systemically informs strategic investment planning and decision-making processes and is embedded into the management of risks and opportunities across the organisation.

**Finance:** Climate change must be integrated into financial planning and reporting.

**Reporting:** Public bodies must consistently, accurately and transparently report all Scope 1 & 2 emissions and all relevant and significant Scope 3 emissions.

**Accountability:** It is recommended that climate change targets should be a board level KPI and if targets are missed, a corrective action plan is required.

### **Key targets**

The guidance also summarises current climate change targets that apply to public bodies:

- Zero direct emissions by 2045 at the latest, including interim targets to monitor progress.
- Zero direct emissions from all estate buildings by 2038.
- Net zero targets for indirect emissions that clearly state what is included. If an institution chooses to exclude a source of indirect emissions from its target it must clearly explain the reasoning.
- All new fleet cars and light vehicles must have zero emissions by 2025 and larger new vehicles by 2030.
- No waste to landfill by 2030.
- Air travel should be minimised and mainland UK air travel should be eliminated. Where air travel is unavoidable it is recommended that the passenger class is the most efficient in terms of emissions (e.g. economy class as default).

### **Actions for the Further & Higher Education (FHE) Sector**

There are several key areas for action the FHE Sector should consider as a result of this new guidance. Firstly, reporting boundaries should be reviewed and, where possible, aligned across the sector. At present all institutions must report the following sources of emissions:

- Building energy consumption,
- Fleet vehicles,
- F-gases from labs, air-conditioning systems and heat pumps,
- Waste disposal and recycling,
- Water supply and treatment,
- Transmission and distribution losses from purchased heat & electricity,
- Business travel, and
- Homeworking of staff.

Although FHE Sector reporting is generally of a high standard, some institutions are not currently reporting all of these sources of emissions and therefore must expand their PBCCD reporting to meet the minimum requirements.

In addition, all institutions are asked to review their reporting boundary against the [GHG Protocol Corporate Value Chain Accounting Standard](#), to clearly understand which Scope 3 categories are relevant to the institution and expand reporting accordingly. Over time institutions are expected to report Scope 3 emissions as completely as possible. Significant additional sources of Scope 3 emissions for the FHE Sector are likely to include staff & student commuting, international & domestic student relocation travel and supply chain.

Next the FHE Sector should consider the quality of data. The new guidance outlines expectations on data maturity and these vary by source. For example, all Scope 1 & 2 emissions should use a measurement methodology but some Scope 3 emissions like supply chain can be estimated at this stage using a spend-based methodology (e.g. Higher Education Supply Chain Emissions Tool). Although please note that for significant sources of emissions it is expected that institutions will move from estimation to measurement over time

Formal assurance and verification are encouraged and as a minimum an institution should have an internal assurance process signed off by senior management.

Lastly the FHE Sector should look at targets. Any institution without a net zero target must set one this year and it should include a target for direct emissions to be zero by 2045. If an institution has already set a net zero target it must ensure it includes a pathway for zero direct emissions by 2045 at the latest.

Please note that institutions are not expected to set reduction targets for sources of emissions with a high level of estimation and therefore uncertainty. However the Scottish Government would still like to see measures undertaken to reduce these emissions.

### **Dealing with Unavoidable Emissions**

The guidance is clear that direct Scope 1 emissions must be zero and therefore cannot be offset, although there will be some exemptions for process and livestock emissions. For Scope 2 & 3 sources institutions must reduce emissions as far as possible before considering offsetting.

When selecting an offset an institution must consider permanence, leakage, additionality, verification and co-benefits. Following [The Oxford Principles for Net Zero Aligned Carbon Offsetting](#) is recommended.

For emissions that occur in Scotland it is strongly recommended to use Scottish natural sequestration projects that are verified to a high standard such as the [Woodland Carbon Code](#). Consequently, international offsets should only be considered for emissions generated outside of Scotland (e.g. international flights).

### **Next Steps**

EAUC-Scotland will continue to offer one to one support and training on reporting and work with partners like the College Development Network, Universities Scotland & APUC to further develop resources for the FHE Sector.

The Sustainable Scotland Network are developing a Net Zero Manual, to be published in 2022, which will further support this expansion in PBCCD reporting.

The Scottish Government will launch the next round of the [Central Government Energy Efficiency Grant Fund](#) in 2022 to support delivery of carbon reduction measures across the public sector estate.