



Department for Business, Energy & Industrial Strategy

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PAC hearing on ‘Measuring and reporting public sector greenhouse gas emissions’

Thank you for the opportunity to attend the Committee on 4 July on the arrangements for measuring and reporting public sector greenhouse gas emissions. During the discussion, the Department was asked to provide further explanation on the following points.

Addressing discrepancies between HMT Sustainability Reporting Guidance (SRG) and Greening Government Commitments (GGCs)

Central government departments and partner organisations that fall under the GGCs framework coordinated by Defra, report their greenhouse gas emissions in line with GGCs guidance. Those organisations are also required to report their greenhouse gas emissions as part of their Annual Report and Accounts following the HMT Sustainability Reporting Guidance (SRG). The SRG must also take account of comparability with private sector annual reports, and developments in international standard setting (e.g. the International Sustainability Standards Board and the International Public Sector Accounting Standards Board). As discussed in the PAC hearing, GGCs and the SRG are largely aligned, but there are currently two small differences in the emissions that have to be reported: the SRG requires reporting of emissions from international business flights and emissions from industrial and chemical processes, whereas GGCs reporting does not require these. In addition, the SRG framework uses ‘scope’ terminology to describe the emissions that are required to be reported which aligns with the Streamlining Energy and Carbon Reporting (SECR) guidance used in the private sector. While the GGCs framework is clear which emissions it is referring to, it does not use the same ‘scope’ terminology.

We agree that in general reporting requirements should be aligned where it is sensible to do so, and in this specific case we are working to align the emissions reporting criteria in the GGCs and the SRGs. Given that both frameworks are already in use for their current reporting periods, we are reviewing how best to achieve the appropriate alignments. The first opportunity to review the SRG will be autumn 2022, and we will work closely with HMT colleagues to consider if and how the SRG framework should be better aligned with the GGCs framework.

If it is concluded that instead the GGCs guidance should be aligned with the SRG guidance, then that will be considered when the new GGCs framework for the period 2025-30 is developed. GGCs are updated every 5 years, as opposed to the yearly updates to the SRG. The GGC framework has now been set until 2025, so it would be extremely disruptive to make changes which, for example, require additional emissions to be reported mid-framework (e.g. if it were decided that like SRG, GGC guidance required reporting of international business flights and emissions from industrial and chemical processes).

In the interim, we will work with Defra to align use of 'scope' terminology in time for inclusion in the updated GGCs Reporting Requirements which will be published later this year.

Percentage of emissions under control of BEIS

In the final emissions statistics for 2019¹, around half of UK whole-economy greenhouse gas emissions fell inside Net Zero Strategy sectors for which BEIS has primary responsibility². These sectors are the power sector, fuel supply, industry and buildings. In addition, BEIS has shared responsibility with other departments on levers to decarbonise other sectors. For example, through the Office for Zero Emissions Vehicles, BEIS has additional shared responsibility for decarbonising road transport, representing more than 20% of emissions, leading to an overall figure of around 70%. BEIS also has primary responsibility for greenhouse gas removals policy and many of the key net zero enabling activities, including: innovation, clean growth, public engagement and business engagement.

NHS reporting on scope 3 emissions

I would like to turn to the question of the NHS's emissions reporting, and particularly its focus on scope three emissions. The Committee may already be aware that the NHS is publicly committed to achieving Net Zero for direct emissions by 2040, and for all emissions – including scope 3 emissions - by 2045.

The NHS's approach to monitoring and reporting is completely aligned with these aims. The NHS's Delivering a 'Net Zero' National Health Service (2020) sets out a detailed account of the NHS modelling and analytics that underpin the latest NHS carbon footprint, as well as trajectories to net zero and the interventions required to achieve that ambition. As that report makes clear, the NHS has tracked and reported its carbon footprint across all three Greenhouse Gas Protocol scopes and has regularly improved its methods and monitoring. This includes all indirect emissions that occur in producing and transporting NHS goods and services, including the full supply chain.

As well as covering all three Greenhouse Gas Protocol scopes in full, the NHS carbon footprint model includes and quantifies 'out of scope' patient and visitor travel emissions. The NHS carbon footprint model has a 1990 baseline, this allows for benchmarking with the Climate Change Act.

¹ Source: BEIS analysis, UK 1990-2020 Greenhouse Gas Index. Figure for 2019 given as emissions by sector were disproportionately impacted by Covid-19 and resultant restrictions in 2020.

² UK territorial and UK international aviation and shipping emissions are included in the whole-economy total

The committee rightly noted that the NHS is a major public procurer, with medicines and the NHS supply chain accounting for approximately 62% of its total carbon emissions. NHS England recently confirmed that from 2030, suppliers will only be able to qualify for NHS contracts if they can demonstrate their progress through published progress reports and continued carbon emissions reporting in line with NHS's Net Zero Supplier Roadmap, published in September 2021.

Evaluation of office consolidation

As referenced in the Committee, the HMRC modernisation programme includes the creation of 13 regional centres. The greenhouse gas impact of this office consolidation was considered as part of the assessment, and HMRC colleagues will be happy to provide more detail if required by the Committee.

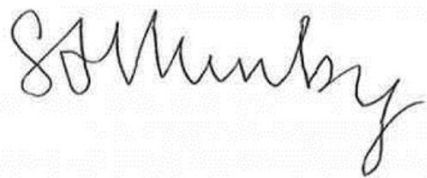
Guidance from the Office of Government Property

In regard to the question about Government Property guidance, the Office of Government Property (OGP) sets policies and standards for the central Government estate. These include the Government Functional Standard for Property, which is published on the government website, [GOV.UK](https://www.gov.uk). This sets out expectations for how management of the whole property life cycle should be directed towards compliance with government policies, including those for the environment and targets for Net Zero. The Standard and some of its associated guidance sets out how Government property should be managed to achieve decarbonisation and value for money by appropriate decision-making throughout the life of the asset. This requires strategic asset management planning in all government organisations holding property assets, taking a whole-life approach, and weighing the options at each stage - whether to retain, repair, invest in, or dispose of different parts of their estate.

OGP also has published the Net Zero Estate Playbook, providing guidance on considering decarbonisation options, adopting a whole system approach and integrating decarbonisation plans with asset management and maintenance plans.

I trust this addresses the questions raised by the Committee.

I am copying this letter to my fellow witnesses DG Ben Rimmington, BEIS; DG David Hill, Defra; and Director Steve Field, HMT.

A handwritten signature in dark ink, appearing to read 'Sarah Munby', is centered on the page. The signature is fluid and cursive, with a small dot at the end.

Sarah Munby