



Net Zero Annual Report

Net Zero Annual Report

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Summary:	This publication outlines net zero related actions delivered by SFC over Financial Year (FY) 2022-23.
FAO:	Principals and Directors of Scotland’s colleges and universities, SFC Board members, and the general public
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Net Zero Annual Report

1. The Scottish Funding Council (SFC) published its [Net Zero Framework for Action](#) in 2022 and the corresponding Net Zero Delivery Plan was finalised in December 2023.
2. SFC aims to be net zero by 2045, in line with the overall target date for Scotland. The Framework sets out actions required by SFC to begin this journey. It demonstrates SFC's commitment to responding to the climate emergency and details how it will reduce its emissions and support the sector to deliver world-class research, innovation and skills to support Scotland's response to the climate emergency.
3. The Framework for Action outlines 15 actions under five themes which will guide SFC's climate emergency response in all aspects of its operations:
 - Driving corporate accountability.
 - Innovation, education, research and entrepreneurship.
 - Finance and funding.
 - Green estates.
 - SFC carbon reduction.
4. The Framework aligns with national policy and statutory net zero targets, including the National Strategy for Economic Transformation, the Climate Emergency Skills Action Plan, the Scottish Government's climate plans, and the Sustainable Development Goals in the National Performance Framework.
5. Responding to the climate emergency is an underpinning theme of SFC's strategic plan for 2022 to 2027. It states that this response "involves taking collective responsibility to address the ambitious target to reduce carbon emissions and deliver a just transition to net-zero by 2045. Alongside our own organisational contribution, we will support the bodies we fund to drive change through student education, research and innovation for a greener Scotland, scientific advice to inform policy, and through estates strategies."

Theme 1- Driving corporate accountability

SFC will lead the way on net zero action for the tertiary education sector and hold institutions accountable for embedding climate action in their operations.

Action Point 2

(Leadership and Governance)

- The Net Zero Framework Delivery Plan prepared and agreed by SFC's Executive Team.

Action Point 3

(Communications)

- We have increased SFC's net zero visibility on the internet, intranet and social media by producing resources for all staff and updating the net zero section of the SFC website.
- We have increased SFC's active net zero contribution as panellists or speakers at key net zero national policy and sector events including EAUC Scotland, Learning Places Scotland, Scotsman Green Skills conference, UK Government Finance Function Conference.

Action Point 4

(Impact, assurance, & accountability mechanisms)

- We integrated the first net zero quantitative and qualitative measures into [SFC's Outcome Agreements \(2023-2024\)](#). Priority Area 5 of the 23-24 Outcome Agreement guidance asked institutions to outline their Scope 1, 2 and 3 emissions as well as their cross-organisational response to the climate emergency.
- SFC's new Outcomes Framework and Assurance Model will include net zero as a cross-cutting theme across each outcome.
- We have provided around £150k annual funding to EAUC Scotland to support the sector's transition and whole-institutional climate leadership.
- We have funded the impact award under the UK Green Gowns Awards and participated in two judging panels for the awards - [Leading the way \(sfc.ac.uk\)](#).

Theme 2 – Innovation, education, research and entrepreneurship

SFC's funding will support the tertiary education sector to invest in research and skills which contribute to Scotland's climate emergency response.

Action Points 6, 7, 8

(Knowledge exchange and innovation assets, Net zero entrepreneurship, Alliances for Research Challenges)

- Our food and energy Alliances for Research Challenges support mission-driven approaches where sustainability is hard-wired into the challenges and solutions being investigated.
- Net zero and environmental sustainability were key considerations in our recent review of the Innovation Centres.

Actions Points 9 and 10

(Climate Emergency Skills Action Plan, Learning for Sustainability)

- We have continued our support for education and skills under CESAP alongside SDS and SG including through the delivery of Foundation and Graduate Apprenticeships in key net zero related sectors and key funds such as the Flexible Workforce Development Fund.
- We sit on the Climate Emergency Skills Action Plan Education Subgroup. We held a chairing role on this group until Education Scotland took over this responsibility.
- We have participated in the SG's Learning for Sustainability Leadership Group with other Scottish education public bodies.
- We contributed to Scottish Government sessions on Just Transition planning for key high emitting sectors in 2023.
- SFC sits on the Scottish Offshore Wind Energy Council (SOWEC) Skills Group and other sector-specific skills groups mainstreaming sustainability skills.
- We delivered around £350k funding for the Energy Skills Partnership which builds key capability and capacity in the college sector to support net zero emerging skills priorities and curriculum integration.

Theme 2 – Innovation, education, research and entrepreneurship

SFC's funding will support the tertiary education sector to invest in research and skills which contribute to Scotland's climate emergency response.

- We facilitated Regional Tertiary Pathfinders to foster skills alignment with the needs of employers and society, with two pilot regions: South of Scotland (rural skills) and North East Scotland (energy transition).
- We funded EAUC Scotland to support colleges and universities to embed learning for sustainability, sharing best practice across the Scottish sector, equipping students to engage in study and work.

Theme 3 – Finance and funding

SFC will embed net zero finance approaches and consider alternative capital funding approaches which can meet the wide-ranging investment needs of our institutions in pursuing net zero ambitions.

Action point 11
(Net zero finance and funding)

- Net zero has been embedded into SFC's Accounts Direction to universities and colleges, directing them to comply with the requirements of the Climate Change (Scotland) Act 2009.
- In reviewing our strategic funding programmes, including the Innovation Centre Review, we have considered net zero and environmental sustainability as part of the review process.

Theme 4 – Green estates

SFC will support institutions to develop sustainable estates through its College Infrastructure Strategy and estates investment.

Actions points 12 and 13

(College Infrastructure Strategy, Collaborative net zero place-making)

- We have published the College Infrastructure Strategy Delivery Plan (2023) which requires colleges to provide evidence on how investment will address climate change and meet the institution's 'pathway to net zero'. It will also lead to the development of an estates funding application process which will consider how a project supports net zero, adaptation and biodiversity goals.
- We delivered around £3 million per annum to Advanced Procurement for Universities and Colleges to support a sustainable procurement strategy and activities sector-wide.
- We delivered around £8 million to JISC to support digital services for tertiary education bodies in the UK, including a net zero by 2040 trajectory.
- SFC's Financial Transactions focused on targeted carbon reduction/climate emergency related projects within university estates. For example retrofit projects including:
 - The University of Aberdeen received £4m to install a combined heat and power engine to connect the university to the city-wide district heating network.
 - Strathclyde's Heart of the Campus project received funding to install green infrastructure and instigate 'pedestrian first connectivity'.
- We delivered funding of £150,000 to EAUC to deliver key support for the tertiary sector's decarbonisation pathway. SFC funding has supported:
 - Delivery of net zero strategies and decarbonisation measures at institutions through a shared services model.
 - Delivery of a sector-wide climate adaptation and risk tool.
 - Launch of further sector tools e.g. business travel and student flights.

- 50% rise in sector attendees to EAUC peer event on carbon reporting.
 - EAUC to respond to 180 reactive enquiries in the first five months of FY 2023-24 year compared to 196 enquiries in the previous 12 months.
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Theme 5 – SFC carbon reduction

SFC will endeavour to reduce its own operational emissions as far as possible and in line with Scottish Government public sector climate change guidance.

Action points 14 and 15
(staff development, emissions reporting and reduction)

- SFC’s travel policy has been updated to ensure compliance with SG public sector climate change guidance. The policy includes the travel hierarchy, placing active travel at the top and personal car or flying at the bottom.
- Environmental sustainability has been included in our procurement policy review.
- Staff feedback from NZ Framework for Action launch sessions in 2022 has been incorporated into the NZ Delivery Plan.
- Net Zero intranet resources have been updated.
- We participated in [Climate Week](#), organised by Net Zero Nation. Resources produced are available for staff to reference. We delivered a seminar for staff about aviation in the sector in collaboration with EAUC.
- Climate change has been added to SFC’s risk register.
- We submitted SFC’s Public Bodies Climate Change Duties report on time, with improved data collection on last year. We also submitted our three-yearly Biodiversity Report on time in 2023.
- We collaborated with key public sector partners (and accessed sector resources) on operationalising our climate response. We are members of the Public Sector Climate Adaptation Network and the Net Zero Collaborative Group.
- We undertook the Adaptation Scotland starter pack including two adaptation workshops specific to SFC with Adaptation Scotland.