Public Services Reform (Scotland) Act 2010

Report for 1 April 2025 to 31 March 2026

October 2026

ENVIRONMENTAL
Standards Scotland
Ìrean Àrainneachdail na h-Alba

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1. Introduction

1.1 Sections 31 and 32 of the Public Services Reform (Scotland) Act 2010 ('the Act') impose duties on Scottish public bodies to publish information on expenditure and certain other matters as soon as is reasonably practicable after the end of each financial year. We produce this statement to ensure compliance with the requirements of the Act.

1.2 Further information on Environmental Standards Scotland's (ESS) work can be found on the ESS website. In particular the ESS:

- Business Plan 2025/26 – 2026/27
- ESS Strategy 2026-31
- Annual Report and Accounts for 1 April 2025 to 31 March 2026

1.3 Should you require further information in relation to the activities or operations of ESS, please contact us at:

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2. Statement of expenditure

2.1 Sections 31 (1) and (2) require relevant public bodies to publish a statement on expenditure in connection with: public relations; overseas travel; hospitality and entertainment; external consultancy; payments in excess of £25,000; and remuneration in excess of £150,000.

2.2 ESS received a budget allocation of £3.1 million in the financial year 2025/26. ESS returned £90,600 mid-year in response to a call for public service reform savings, reducing this budget total to £3.009 million.

2.3 The statements below include information on each category of expenditure in relation to ESS' budget allocation.

Public relations

Account code	2025/26 expenditure (£)	2024/25 expenditure (£)
Publications	7,784.60	16,098.79
Media Services	43,850.68	28,620.76
Staff costs	69,968.99	63,791.22
Development of Web Services	13,900.00	16,904.40
Total	**135,504.27**	**125,415.17**

Table 1 - Statement of expenditure in connection with public relations

2.4 From 1 April 2025 to 31 March 2026, ESS' expenditure in connection with public relations amounted to £135,504.27. This figure is equal to 4.50% of ESS' reduced budget allocation for the period.

Overseas travel

Account code	2025/26 expenditure (£)	2024/25 expenditure (£)
Staff costs	1,524.61	3,766.76
Total	**1,524.61**	**3,766.76**

Table 2 - Statement of expenditure in connection with overseas travel

2.5 From 1 April 2025 to 31 March 2026, ESS' expenditure in connection with overseas travel amounted to £1,524.61. This figure is equal to 0.05% of ESS' reduced budget allocation for the period. This amount includes expenditure in relation to travel and subsistence for an ESS Board member who is based overseas.

2.6 ESS' Board requires international expertise, particularly in relation to environmental policy. The UK Withdrawal from the European Union (Continuity) (Scotland) Act 2021 gives Scottish Ministers the power to amend the law to maintain

alignment with EU law on the environment. ESS monitors developments in European and international environmental standards and law to highlight areas where changes or further progress is needed, particularly in relation to the aim of maintaining alignment with EU law, or where Scotland can learn from good practice elsewhere. These expenses are therefore reflective of ESS' commitment to this Strategic approach.

Hospitality and entertainment

Account code	2025/26 expenditure (£)	2024/25 expenditure (£)
Hospitality	691.73	-
Catering	-	171.18
Total	**691.73**	**171.18**

Table 3 - Statement of expenditure in connection with hospitality and entertainment

2.7 From 1 April 2025 to 31 March 2026, ESS' expenditure in connection with hospitality and entertainment amounted to £691.73. This figure is equal to 0.02% of ESS' reduced budget allocation for the period.

2.8 This figure was a significant increase on the previous year due to costs related to a range of Strategy 2026 – 2031 consultation events, which took place in the financial year 2025/26.

2.9 Instances of one-off items of expenditure on hospitality and entertainment below £25 have been excluded from this report. This is in line with guidance that these figures are de minimis.

External consultancy

Account code	2025/26 expenditure (£)	2024/25 expenditure (£)
Consultancy	28,291.20	47,017.00
Total	**28,291.20**	**47,017.00**

Table 4 - Statement of expenditure in connection with external consultancy

2.10 From 1 April 2025 to 31 March 2026, ESS' expenditure in connection with external consultancy amounted to £28,291.20. This figure is equal to 0.94% of ESS' reduced budget allocation for the period.

2.11 This expenditure related to services that are defined as consultancy following the Scottish Government 'Three-Part Test'. To ensure comparisons to prior year figures were accurate, prior year consultancy costs have also been redefined and processed through the test.

Individual payments in excess of £25,000

Account code	Supplier/ purpose	No. of invoices	2025/26 expenditure (£)	2024/25 expenditure (£)
Accommodation charge	SLAB – rent charges	4 - all over £25k	145,844.67	145,651.79
Accommodation charge	GHI – refurbishment of office space	7 – 2 over £25k	-	78,271.83
Furniture and Fittings	Flexiform Business Furniture Limited – pods for Office	2 – 1 over £25k	50,666.40	-
Agency staff costs	Venesky-Brown – interim finance and accountancy advisor	35	-	40,795.18
IT – shared service	iTECS – charges for use of SCOTS Connect	4	46,752.25	39,042.36
Contractors	Fife Council – Legal Advisor	2	43,156.62	-
Media services	Smarts – third-party comms support	16	35,098.25	-
Agency staff costs	Harvey Nash – Business Support Officer	9	33,695.63	-
Computer Hardware	Invoka Consulting Ltd – new server	1 - over £25k	33,030.00	-

Table 5 - Statement of expenditure in connection with individual payments in excess of £25,000

2.12 ESS made nine individual payments in excess of £25,000 during 2025/26, as outlined above. Table 5 also includes cumulative payments of over £25,000 during 2025/26, in the interests of transparency.

Remuneration

2.13 Between 1 April 2025 and 31 March 2026, no members of staff at ESS received remuneration in excess of £150,000.

2.14 No member of ESS received a bonus or other discretionary performance-related payment during this period.

3. Statement on steps to promote sustainable economic growth

3.1 Section 32(1)(a) of the Act places a duty on public bodies to publish a statement of the steps it has taken during the financial year to promote and increase sustainable growth through the exercise of its functions.

3.2 The Board, Audit and Risk Committee and Executive team keep ESS' budget and expenditure under regular review, including longer-term financial planning over the coming five financial years. Executive team budget reviews take place regularly within the context of risk management and business planning. This allows ESS to ensure financial sustainability and remain reactive to pressures, priorities and in-year budget revisions.

3.3 ESS continues to comply with Fair Work First principles, the Scottish Government's flagship policy for driving high-quality and fair work, and workforce diversity across the labour market in Scotland. At ESS, implementation of this includes payment of at least the real Living Wage (including by its contractors), investment in workforce development, and opposing use of inappropriate zero hour contracts and fire and rehire practices.

3.4 2025/26 presents a year of transition for ESS' sustainability planning. Phase 1 of ESS' Sustainability Plan concluded in 2025, and 2026 saw the beginning of phase 2. At the conclusion of phase 1, ESS has made significant progress against its actions. Careful emissions monitoring, encouragement of sustainable working practices and sustainable travel policies have all been implemented. In the period ESS has become a bronze level Carbon Literate Organisation.

3.5 Phase 2 of ESS' Sustainability Plan seeks to further embed a sustainable culture within the organisation as it continues to grow, and to guide ESS in reducing its own emissions and environmental impact.

3.6 As part of this plan, ESS is committed to the principles of sustainable procurement and will identify methods to better measure and reduce emissions relating to its supply chain. Additionally, ESS considers sustainability alongside quality and price in its technical scoring for awarding contracts to suppliers, achieving benefits including:

- carbon reduction plans/net zero targets
- greener offices/greener travel
- Cycle to Work schemes
- waste reduction and recycling initiatives, including IT equipment and furniture being offered to local charities
- use of renewable energy suppliers
- hybrid working models
- employees encouraged to use days for Corporate Social Responsibility, net zero and community benefit activities
- hosting sector-focused national conferences where sustainability is a key topic

3.7 Phase 2 of the Plan also commits ESS to aligning with the United Nation's Sustainable Development Goals. This can be applied to ESS' own operations, but also through its influence within the wider public sector ensuring sustainable economic growth through its statutory functions. The role of ESS is to ensure that environmental law is effective, and that public bodies comply with it. This is so that Scotland's people and nature benefit from a high-quality environment. ESS achieves

this by monitoring and evaluating environmental performance in Scotland and investigating matters of environmental concern.

During the early stages of phase 2, ESS has already made progress in improving the visibility and accessibility of its website, expanding the scope of its emissions reporting, and reviewing potential solutions for carbon offsetting.

3.8 To measure ESS' performance, a set of Performance Management Indicators (PMIs)[1] has been developed and is reported on annually in ESS' Annual Report and Accounts. In addition to keeping track of ESS' actions and outputs, we look at the intermediate and long-term outcomes of delivering ESS' functions. To do this we undertake impact assessments and complete theories of change to determine how ESS' work has contributed (directly or indirectly) to changes to improve environmental outcomes.

3.9 We also commissioned an independent assessment of this work and published it on our website.

4. Statement on steps to improve efficiency, effectiveness and economy

4.1 Section 32(1)(b) of the Act requires public bodies to publish a statement of the steps taken to improve efficiency, effectiveness and economy in the exercise of their functions.

4.2 ESS is a non-ministerial office, independent of the SG and accountable to the Scottish Parliament. However, as a small public sector organisation and in line with public sector guidance, ESS analogues to the SG in terms of employment terms and conditions, and makes use of a number of its shared services. These include:

- IT
- data protection
- finance
- internal audit

[1] Publications: ESS' Performance and Management Indicators - Definitions and Sources

- procurement

4.3 As a user of the finance shared service, ESS uses the Oracle Cloud finance system. This ensures efficiency of financial reporting.

4.4 ESS' IT provision (called SCOTS) and equipment is provided by iTECS, the Scottish Government shared service.

4.5 In line with the SG policy on artificial intelligence (AI), ESS utilises AI tools to increase efficiency. ESS staff use approved software to support administrative tasks such as minute taking and document redaction. ESS continues to consider how wider use of AI tools might support greater efficiencies in future.

4.6 Microsoft Copilot Chat is available to all staff and is currently regarded as the only corporate generative AI tool for general purpose use. From 2 March 2026, no access to other AI tools via browsers has been available to ESS, or other SCOTS users.

4.7 In 2025/26, ESS rolled out web-based time recording software Flex Planner across the organisation. This has allowed greater efficiency of reporting, flexibility and transparency for staff, as well as improved reporting to support organisational management in planning and allocating workloads.

4.8 ESS has initiated an organisation wide programme management approach in 2025/26, with a dedicated staff member recruited to support its implementation. The long-term goal of the approach is to increase visibility of progress against ESS' strategic objectives and improve organisational planning and decision making. Progress has already been made to quantify ESS workload and improve reporting.

4.9 ESS leases its office space from the Scottish Legal Aid Board (SLAB) and shares space and costs with Consumer Scotland. As well as the financial and practical savings of sharing space, ESS and Consumer Scotland collaborate regularly to share best practice. ESS has also remained open to seeking an additional office partner to increase efficiency in the future.

ESS is committed to securing environmental outcomes by informal resolution where possible. This is an efficient and effective way of delivering ESS' investigatory functions, where we work with public bodies to improve the effectiveness and application of environmental law. Informal resolution can secure improvements in a

more timely manner than taking formal action, and demonstrates collaboration across Scottish public bodies.

4.10 ESS seeks to work collaboratively wherever possible, whether that is with public bodies across Scotland, counterparts across the UK, or relevant bodies internationally. ESS has signed memoranda of understanding (MoU) with bodies including the Scottish Government's Rural and Environmental Science and Analytical Services (RESAS) (with regard to the use of the Strategic Research Programme), the Climate Change Committee, the Office for Environmental Protection and the Interim Environmental Protection Assessor for Wales. These MoU set out our intentions to collaborate where possible, and will allow for pieces of work such as information sharing, joint commissions and events.ESS voluntarily applies the Code of Practice for Statistics to ensure its quantitative analysis is trustworthy, high-quality and valuable, outlining the processes, standards and planned improvements that guide its use of data.

4.11 To remain efficient and effective, ESS has taken a flexible approach to recruitment and staffing. This has included: recruiting fixed-term appointments for short-term projects and scoping longer-term positions; agreeing part-time secondments for ongoing, on-call expertise; hosting mutually-beneficial placements to students from the Scottish Graduate School of Social Science (SGSSS); implementing temporary responsibility supplements to call on additional expertise within the existing staff complement; and seeking agency work where necessary.

4.12 In 2025/26 ESS has undertaken significant recruitment following the allocation of its new duties. ESS carefully planned and managed the processes to ensure optimal efficiency in obtaining the best candidates whilst reducing dedicated staff time. All recruitment followed civil service principles to ensure all appointments met the three required conditions: merit, fairness, and open competition.

4.13 ESS' sole source of income is its annual budget allocation received from the Scottish Government. Where efficient use of ESS' funds has resulted in savings against ESS' budget, ESS has been engaged with the Scottish Government to report this on a monthly basis and has been proactive in providing in-year returns against its annual budget allocation.

4.14 As set out above at 2.2, ESS received a budget allocation of £3.1 million in the financial year 2025/26. ESS returned £90,600 mid-year in response to a call for public service reform savings, reducing this budget total to £3.009 million.

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