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Net Zero, Energy and Transport Committee c/o Clerk to the Committee Room T3.40 The Scottish Parliament Edinburgh EH99 1SP

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10 May 2024

Dear Edward,

Thank you for the opportunity to appear before the Net Zero, Energy and Transport Committee to discuss the programme of work that the Scottish Government is undertaking on climate change. You asked to be provided with some information in advance of this to support the Committee's preparation for that session - please find my response to that request below which I hope the Committee will find useful.

Climate Change Plan and proposed Climate Change Bill

As I announced on 18 April, development of the next Climate Change Plan is now continuing in the context of forthcoming proposals for legislative change. My immediate priority is to address the points raised by the CCC in their latest progress report and introduce legislation to Parliament in due course.

It is important to underline that this Government remains fully committed to meeting our target of net zero emissions by 2045 at the latest. With emissions already cut by almost 50%, we are now entering the second half of our journey to net zero. While we are seeking to realign our target pathway to Climate Change Committee advice, I must be clear that there is no change in the challenge ahead: we have twenty years to finish the job and reach net zero. The hardest part of this journey is undoubtedly ahead of us and all parties must be prepared to join us in making the difficult delivery decisions that will be required to deliver our shared aim.

This means we must continue driving down emissions as fast as we can, in a way that is just and fair. That is why this Government announced earlier this month a raft of new climate action in transport, agriculture, taxation, land use and industry. In this next phase of our journey these announcements will set the context for the next Climate Change Plan.

The full package of new climate action can be found <u>here</u> but includes, for example:

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- A plan to deliver approximately 24,000 additional electric vehicle charging points by 2030;
- Development of a new integrated ticketing system that people can use across all public transport;
- A pilot for methane suppressing food to reduce livestock emissions;
- Publication of our routemap for 20% car km reduction by Autumn 2024 with a timeline for implementing demand management (this will include consideration of how local government action can further incentivise the switch to EVs in addition to reducing overall car km); and
- Consultation on proposals to introduce a carbon land tax as part of considering fiscal and regulatory measures to incentivise peatland restoration, afforestation and renewable energy generation.

In the meantime, I will also be looking to make maximum progress across individual sectors covered by the Climate Change Plan, including through the Energy Strategy and Just Transition Plan along with the forthcoming draft Just Transition Plans on Land Use and Agriculture, Transport, and Built Environment and Construction, the Green Industrial Strategy and by putting in place new legislation for specific sectors through the Bills contained in the legislative programme.

As I set out in Parliament on 18 April, proposed amendments to climate change legislation are being developed to address a narrow range of revisions to the legislative framework, with the purpose of realigning our target pathway with Climate Change Committee advice, alongside moving to an approach based on 5-yearly carbon budgets. This new approach is crucial to ensuring our legislative framework better reflects the uncertain practical reality of net zero where, for example, a cold winter can drive up emissions simply by an increase in demand for home heating.

Auditor General and Audit Scotland report

We have put in place a programme and governance structure to ensure that action is marshalled and directed to fulfilling our collective ambition on climate change. We welcomed the recommendations made by Audit Scotland in April last year and committed to implementing them as soon as possible. Indeed, as I hope the discussion at committee will demonstrate, we have made significant progress on this.

Since April 2023, we have built on the existing governance of our Climate Change Programme and developed streamlined, more clearly presented sets of roles, responsibilities, and relationships to clarify lines of accountability and assurance.

We have also embedded formal and consistent reporting across the Scottish Government. We have ensured our approach to risk management is systematic, effective, and robust and there is a clear risk escalation process in place.

Members of the Public Audit Committee will have seen evidence of this when my officials gave evidence last autumn. Indeed, when my officials last met with Audit Scotland in February this year, Audit Scotland was encouraged by the pace at which their recommendations had been implemented. Further, when the Auditor General appeared

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before NZET Committee on 12 March, he noted that response from the Scottish Government into the recommendations was appropriate.

Workforce Plan

In the Public Audit Committee session on 12 March, Audit Scotland advised the Committee that workforce planning is an on-going exercise within the Director General Net Zero's areas of responsibility, with a continuous process of mapping the commitments under DG Net Zero to the resources and budget that are available and aligning them to priorities. This is a continuous management process and means that there is no one workforce plan, but multiple plans spread across DG Net Zero. I am, therefore, unable to provide you with a copy of a <u>single</u> workforce plan but can provide assurance that workforce planning is undertaken within DG Net Zero in a regular and consistent manner.

COP28 – Scottish Government outcomes

You asked for information on COP28 outcomes. I can confirm that the report on COP28 was published on 16 April 2024.

Cross-party discussions on climate change

The First Minister's Cross-Party Roundtable Discussion with Scottish Party Leaders took place on 1 February 2024. At this meeting the First Minister outlined progress made to date as well as future and current challenges in driving forward climate change policy.

Chris Stark, at that point Chief Executive of the Climate Change Committee, delivered a presentation with analysis on the Scottish context for climate change and we heard from each of the Scottish Party Leaders who detailed their own priorities and ambitions in regard to achieving net zero.

I separately attach a summary of what was discussed at this meeting.

The Scottish Government remains committed to continuing engagement across parliament on climate.

Climate Change Committee

With regard to the establishment of a Climate Change Committee (CCC) office in Scotland, consideration is ongoing and we will update the Committee on this matter in due course. In the meantime, the CCC continue to provide comprehensive advice for Scotland in line with the requirements of the Climate Change (Scotland) Act 2009 as set out in their corporate annual reports laid in the Scottish Parliament.

On development of the draft Climate Change Plan, Scottish Ministers would request the CCC's views on a draft plan after it is laid in the Scottish Parliament, as specified in the Climate Change (Scotland) Act 2009. While it is not a statutory requirement to involve the CCC with development of the draft plan, we have regular engagement. The CCC's annual progress reports on reducing emissions in Scotland have also been valuable in informing the Scottish Government's climate change policy development; recent progress reports will form a vital element of development of the next Climate Change Plan.

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I hope that the information provided fulfils your requirements and I look forward to our discussion at Committee.

Yours sincerely,

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MAIRI MCALLAN

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<u>FM Cross-Party Scottish Leaders Roundtable – 1 February 2024 – Meeting</u> <u>Summary</u>

Summary Note:

The First Minister (FM) and the Cabinet Secretary for Transport, Net Zero and Just Transition (MM) met with Scottish Party Leaders at Bute House 1 February 2024.

The discussion at this meeting was very productive and the group were given a presentation from Chris Stark (CS) on analysis the CCC have provided on the potential Scottish emissions gap. Furthermore, Scottish Party Leaders highlighted what they felt were the biggest challenges and opportunities in reaching net zero by 2045.

Issues discussed included:

- FM thanked all attendees for being available for the meeting and highlighted the Scottish Government's commitment to achieving net zero by 2045.
- MM added that net zero ambition can be paired with economic growth highlighting the fact that we have reduced our carbon emissions on the 1990 baseline by 50%, whilst also seeing the economy grow by 57%.
- CS delivered a presentation where he highlighted global carbon emissions over the past 800-thousand years. CS added that we are now entering a plateau period with carbon emissions, as agreed at COP28.
- CS also portrayed carbon emissions in Scotland by sector and the make-up of each of these noting that whilst a number of the sectors were sloping downwards in their carbon emission trajectory, we were not seeing any rapid decline.
- CS also presented a projected pathway the CCC have set out, on how Scotland can reach net zero by 2045, but stressed that policies to do so would need to be impactful and done in a way that is just and fair.
- CS highlighted within this trajectory, that as per previous advice from the CCC, that the 2030 target was unlikely to be met and that the annual targets that sat alongside the interim targets were not the best measure of carbon emission reductions.
- FM handed over to Party Leaders to deliver short interventions on the challenges and opportunities in reaching net zero by 2045.
- ACH highlighted the 3 biggest emitting sectors: Buildings; Industry; and Transport and stressed that in his view, progress on each of these sectors has been relatively slow.
- ACH demonstrated some Scottish Liberal Democrat Party pledges, including an emergency insulation programme and free retrofitting of heat pumps for low-income households. Furthermore, there is a requirement for transport to be more fair improved availability of and more environmentally friendly buses and trains.
- AS expressed that there was a shared ambition within the oil and gas sector for a just transition and that there was a requirement for partnership between businesses, industry and cross-government.
- AS also expressed that public confidence is very important and that we need to convince the public it means higher paying jobs, better working conditions and a cheaper cost of living. In addition, AS also stressed that Electric Vehicle (EV) charging units need to be more affordable and so do low carbon vehicles.

- DR offered that insulating homes is a very easy solution to reducing carbon emissions and this has been the policy over preceding years. DR expressed some concern over how the framing of climate change lands with the general public has only gone so far and the particular issues experienced in the planning sector, which has been prone to delays of projects.
- DR raised education and green skills, highlighting a requirement to ensure that we are identifying skills which will be required in the coming years and ensuring that we have enough skilled labour to do the jobs required.
- LS emphasised that strengthening the economy is the right signal for the public. LS added that the 2045 target is stretching and that policy areas such as industry, agriculture, buildings and transport require major policies to decarbonise. It is important that at the heart of such policies is a shared ambition and responsibility, which ensures a transition that is just and fair.
- CS offered some closing remarks, adding that it was important that any arguments we make regarding climate change need to have co-benefits to get wider public buy-in e.g. increased employment.
- FM closed the meeting.

Attendees:

- Humza Yousaf MSP, First Minister (HY)
- Mairi McAllan MSP, Cabinet Secretary for Transport, Net Zero and Just Transition (MM)
- Douglas Ross MSP, Party Leader, Scottish Conservative and Unionist Party (DR)
- Elliot Roy, Political Director, Scottish Conservative and Unionist Party (ES)
- Anas Sarwar MSP, Party Leader, Scottish Labour (AS)
- Rosanna Dobbin, Head of Policy, Scottish Labour (RD)
- Alex Cole-Hamilton, Party Leader, Scottish Liberal Democrats (ACH)
- James Parry, Director of Parliamentary Operations for the Scottish Liberal Democrats (JP)
- Lorna Slater MSP, Party Co-Leader, Scottish Green Party (LS)
- Patrick Harvie MSP, Party Co-Leader, Scottish Green Party (PH)
- Margaret Hall, Scottish Green Party (MH)
- Chris Stark, Chief Executive, Climate Change Committee (CS)
- Colin McAllister, Special Advisor, Scottish Government (CM)
- Leanne Dobson, Special Advisor, Scottish Government (LD)
- Kersti Berge, Director, Directorate for Energy and Climate Change (KB)
- Phil Raines, DD, Domestic Climate Change Division (PR)
- Harry Wood, Domestic Climate Change Division (HW)