



The Scottish Parliament
Pàrlamaid na h-Alba

Màiri McAllan MSP
Cabinet Secretary for Net Zero and
Just Transition
Scottish Government

**Net Zero, Energy and Transport
Committee**

c/o Clerk to the Committee
Room T3.40
The Scottish Parliament
Edinburgh
EH99 1SP

By email only

netzero.committee@parliament.scot

19 May 2023

Dear Màiri,

Update on the Scottish Budget 2023/24

I am writing to seek an update in relation to the Scottish Budget 2023/24, to assist with the Committee's pre-budget scrutiny for the 2024/25 cycle. Last year, the Committee undertook pre-budget scrutiny with a view to informing the Scottish Government's thinking in relation to the 2023/24 Budget. We focused on four key themes arising from our work over previous months—

1. The Fair Fares Review and bus travel;
2. Electric vehicle charging point infrastructure;
3. Scottish Government's response to our report on our energy price rises inquiry; and
4. The publication of the final Hydrogen Action Plan and associated capital investment, as well as the anticipated Energy and Just Transition Strategy.

We presented our key recommendations from our pre-budget scrutiny in a [letter to the Cabinet Secretary for Net Zero, Energy and Transport on 10 November](#). On 22 December, we received [a response from Mr Matheson](#) setting out his priorities for the forthcoming budgetary cycle.

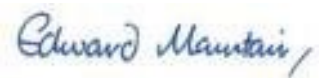
The Committee is interested to find out what progress has been made in delivering the funding streams highlighted in Mr Matheson's response. I have set out in the Annexe a number of follow-up questions from aspects of the Scottish Budget 2023/24 to assist the Committee in following the thread of how funding has been allocated.

I appreciate that changes in ministerial portfolios have meant matters pertaining to energy now fall outwith your remit. I would be grateful therefore if

you could coordinate with ministerial colleagues to provide a response to all of the Committee's questions set out in this correspondence.

I look forward to hearing from you.

Yours sincerely,

A handwritten signature in blue ink that reads "Edward Mountain". The signature is written in a cursive style and is positioned above the typed name.

Edward Mountain MSP
Convener
Net Zero, Energy and Transport Committee

Annexe

The Fair Fares Review and Bus Travel

The Cabinet Secretary said in his response additional funding was being made available for bus operators in the 2023-24 financial year from the Network Support Grant. However, this was “subject to 2023-24 budget affordability”. **We seek an update on how much funding has been made available to bus operators during 2023-24, and how much of this funding has been allocated at this stage in the financial year.**

The Cabinet Secretary also indicated that current Budget proposals earmarked over £359 million of funding was allocated to support concessionary bus travel across Scotland. **We seek an update on how much of this £359 million has been drawn down, and whether the Cabinet Secretary expects that the full amount will be drawn down over the course of this financial year.**

In the Committee’s initial pre-budget letter, we requested further details in relation to how the Bus Partnership Fund will operate and whether the Scottish Government is confident the level of funding proposed in 2019-20 is still sufficient to deliver desired outcomes. The Cabinet Secretary said £25.8m of the £500million of the bus priority funding had been awarded. **We request information on the total amount of funding awarded by the Scottish Government through its Bus Partnership Fund since the Cabinet Secretary’s response.**

Electric vehicle charging point infrastructure

We initially asked the Scottish Government to set out how the £60m funding for the EV Infrastructure Fund (EVIF) would be used to deliver an improved EV charging network in Scotland. The Cabinet Secretary said the aim of the £60million Electric Vehicle Infrastructure Fund was to double the size of Scotland’s public charging network in the next few years. **We seek further details on how much of the £60million has been allocated by the Scottish Government to date, and how many charging points have been installed as a result of the funding.**

Scottish Government’s response to our report on our energy price rises inquiry

The Cabinet Secretary stated in his letter that by the end of March 2023 the Scottish Government will invest around £3bn in a range of measures for households. He said this includes measures such as the Fuel Insecurity Fund for which £20 million of funding has been allocated in the 2023/24 budget, and the Winter Heating Payment. **We request further details in relation to the current values allocated for the Fuel Insecurity Fund and Winter Heating Payment and how much of this funding has been administered so far in the budget cycle.**

The Cabinet Secretary said the Scottish Government had allocated £366 million for Heat in Buildings/Fuel Poverty in the 2023/24 Budget. This included expanded eligibility for Warmer Homes Scotland, and funding limits for Area Based Schemes. However, we note that referrals for Warmer Homes

Scotland have been paused from Friday 31 March until October 2023. **We request an update on how much has been spent so far on Heat in Buildings/Fuel Poverty, including in relation to national schemes such as Warmer Homes Scotland and other individual insulation programmes.**

The Cabinet Secretary also said the Scottish Government has allocated £1.8 billion this parliamentary period to accelerate deployment of heat and energy efficiency measures. This includes the £300 million Scotland's Heat Network Fund, the £200 million Social Housing Net Zero Heat Fund and the £200 million Green Public Sector Estate Decarbonisation Scheme. He said the Scottish Government were reviewing their current funding offer delivering new funding programmes where required. **We request an update on the funding being provided through the Scotland's Heat Network Fund, Social Housing Net Zero Heat Fund and the Green Public Sector Estate Decarbonisation Scheme, including how much of the budgeted amounts have been allocated so far during 2023/24.**

The publication of the final Hydrogen Action Plan and associated capital investment, as well as the anticipated Energy and Just Transition Strategy.

The Cabinet Secretary NZET said in June 2022 the Scottish Government launched a £10 million Hydrogen Innovation Scheme. He also said the Scottish Government will open a call for projects for the £90 million Green Hydrogen fund in early 2023. The Committee notes that this month the First Minister has announced funding awards totalling £7 million from the Hydrogen Innovation Fund. **We ask the Scottish Government to set out its plans for the remaining £3 million from the Hydrogen Innovation Scheme. We also request an update on whether a call for projects has now been opened by the Scottish Government for the Green Hydrogen Fund and, if so, how much of the £90 million fund has been allocated for developments so far.**

The Cabinet Secretary said that the Scottish Government awaits clarification as to the direction of travel with regards to the Scottish Cluster. However, he said the Scottish Government has made available up-to £80 million from its Emerging Energy Technologies Fund to accelerate deployment of Carbon Capture Utilisation and Storage (CCUS) in Scotland. **We seek information on how much of the Emerging Energy Technologies Fund has been spent and if this £80million remains earmarked for the development of CCUS.**