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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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25 July 2024

Dear Convener,

Thank you for your correspondence of 5 July 2024, regarding the Scottish Government Budget for 2025-26.

The Scottish Government is currently considering its approach to the 2025-26 Scottish Budget, and details will be available when the new Scottish Budget is published. The Scottish Government will continue to work closely with the Scottish Parliament to agree a date for the new Scottish Budget after the UK Government confirms the date for its next fiscal event.

The First Minister has made tackling the climate crisis one of his top priorities for the Government. Scotland's emissions halved between 1990 and 2022, while our economy grew by 67% over the same period. This was the largest reduction in emissions in the UK and we decarbonised faster than the average of the EU27. Scottish Ministers have an unwavering commitment to a just transition to net zero emissions by 2045, five years ahead of the UK, and it is still one of the most ambitious targets in the world.

In the 2024-25 Budget we committed £4.7 billion for activities that will have a positive impact on delivery of our climate change goals. But an almost 9% cut to our capital budget by 2027-28 from the UK Government, a cumulative loss of over £1.3 billion, has added to an already very challenging fiscal environment. Across Government we will continue to support businesses and people in Scotland so they can share in the enormous economic and job opportunities of the global transition to net zero.

Our intention is that, following completion of the current pilot of the Net Zero Assessment within Scottish Government, the Assessment will be rolled out across all Scottish Government significant new expenditure decisions from the end of 2024, and my Portfolio officials are looking at how the Assessment would operate alongside other impact assessments, in particular the Strategic Environmental Assessment. Net Zero Assessment will support a

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comprehensive and formal advisory role for the Global Climate Emergency Programme Board and the Cabinet Sub-Committee for the Climate Emergency on the climate impact of proposals for future Programmes for Government and Budgets (the Assessment will not be available to influence Budget 2025-26). As we further expand the Assessment, we will work with COSLA on how we can better understand local authority spend against our shared net zero ambitions, through our joint Climate Delivery Framework.

Furthermore, we have now established the Scottish Climate Intelligence Service for local government, jointly funded by Scottish Government and local authorities. This service will support local authorities in building the skills, knowledge and insights that they need to use climate information and data to plan, monitor and deliver climate action at the scale and pace required to achieve net zero.

As you will be aware in your role as the Convener, our partners in Local Government are critical to the delivery of our net zero ambitions. However, you will also appreciate that Local Authorities are independent corporate bodies with their own powers and responsibilities and are entirely separate from the Scottish Government. As long as they act lawfully, it is up to each local authority how it manages its day-to-day business and decision-making processes. This independence extends to their finances, and it is the responsibility of individual local authorities to manage their own budgets and to allocate the total financial resources available to them.

I have demonstrably prioritised local services and the 2024-25 Local Government Settlement not only represents record funding but also delivers an increased share of the Budget. How Local Authorities allocate that funding is a matter for them locally but the Scottish Government is committed to forging a stronger partnership between local and national government to achieve better outcomes for communities across Scotland.

In this regard, a better understanding of how Local Authorities contribute to national outcomes is obviously a key consideration in our ongoing negotiations to develop a Fiscal Framework with Local Government including establishing the appropriate assurance and accountability arrangements. We will continue to keep the Committee updated with progress on those discussions as they develop.

I hope you find this information useful.

Yours sincerely,

**SHONA ROBISON**

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