



OFFICIAL REPORT
AITHISG OIFIGEIL

Net Zero, Energy and Transport Committee

Tuesday 17 September 2024

Session 6



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Tuesday 17 September 2024

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NET ZERO, ENERGY AND TRANSPORT COMMITTEE

26th Meeting 2024, Session 6

CONVENER

*Edward Mountain (Highlands and Islands) (Con)

COMMITTEE MEMBERS

*Bob Doris (Glasgow Maryhill and Springburn) (SNP)

*Jackie Dunbar (Aberdeen Donside) (SNP)

*Monica Lennon (Central Scotland) (Lab)

*Douglas Lumsden (North East Scotland) (Con)

*Michael Matheson (Falkirk West) (SNP)

*Mark Ruskell (Mid Scotland and Fife) (Green)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Dr Alina Averchenkova (Grantham Research Institute on Climate Change and the Environment)

Catherine Higham (Grantham Research Institute on Climate Change and the Environment)

Neil Langhorn (Environmental Standards Scotland)

Gillian Martin (Acting Cabinet Secretary for Net Zero and Energy)

Dr Thomas Muinzer (University of Aberdeen)

Norman Munro (Scottish Government)

Philip Raines (Scottish Government)

Mike Robinson (Stop Climate Chaos Scotland)

CLERK TO THE COMMITTEE

Peter McGrath

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Net Zero, Energy and Transport Committee

Tuesday 17 September 2024

[The Convener opened the meeting at 08:47]

Interests

The Convener (Edward Mountain): Good morning, and welcome to the 26th meeting in 2024 of the Net Zero, Energy and Transport Committee.

The first agenda item is a declaration of interests. I welcome our new committee member, Michael Matheson, who replaces Ben Macpherson. I am sure that everyone would like me to put on record our thanks to Ben for all the work that he put into the committee. When I say that he was extremely diligent in all that he did, I do not mean that in a patronising way, because he was painstaking in what he did, and we had a very constructive relationship. He will retain a link with the committee, because he is a substitute member, so I am sure that we will see him again, and I look forward to that. We are all pleased that that is the case.

I invite Michael Matheson to declare any relevant interests.

Michael Matheson (Falkirk West) (SNP): Good morning, and thank you, convener. The only matter that I wish to draw to colleagues' attention is that I hold an honorary fellowship from the Chartered Institution of Highways and Transportation.

The Convener: Okay. Thank you.

Deputy Convener

08:48

The Convener: The second agenda item is the choice of a new deputy convener. The Parliament has agreed that only members of the Scottish National Party group may be deputy convener of this committee. Is there a nomination? Jackie Dunbar, it looks like you are scowling at me, but you are waving your hand.

Jackie Dunbar (Aberdeen Donside) (SNP): I nominate Michael Matheson as the deputy convener.

The Convener: Jackie Dunbar has nominated Michael Matheson as the deputy convener. Are we agreed?

Monica Lennon (Central Scotland) (Lab): I would like to make a comment. I join you in welcoming Michael Matheson to the committee, and I am sure that we will all work well together.

I want to put a point on the record, which is not a reflection on the nomination or the candidate for deputy convener but is a matter for the SNP and for Parliament. The Presiding Officer commissioned a gender-sensitive audit, and I was part of the working group for that. It is important that we bear the aims of that piece of work in mind when we make decisions about appointments to Parliament. For the second time that the committee has appointed a new deputy convener, we find ourselves with an all-male convenership, which is not in the spirit of what we are aspiring to.

It is a matter for the SNP, because it gets to make the nomination. As I said, my comments are no reflection on Michael Matheson, but it is important that all business managers strive to achieve as much of a gender balance as possible.

I do not know what Jackie Dunbar was just saying across the table, but I want to put that point on the record. I am sure that all business managers read the *Official Report*, if they are not listening to our live proceedings.

The Convener: Thank you for reminding us about that work, Monica. While bearing in mind what you have just said, I will ask the question again: does the committee agree to appoint Michael Matheson as the committee's deputy convener?

Members indicated agreement.

The Convener: Michael, during the next break, you will move up the table to sit next to me.

Decision on Taking Business in Private

08:51

The Convener: The next item of business is a decision on taking agenda items 4 and 6 in private. Item 4 is consideration of the committee's approach to the scrutiny of the Climate Change (Emissions Reduction Targets) (Scotland) Bill, and item 6 is consideration of the evidence that the committee will hear today. Does the committee agree to take those items in private?

Members *indicated agreement.*

The Convener: I will now move the meeting into private to deal with item 4. I expect us to be back in public session by just after 9 o'clock.

08:51

Meeting continued in private.

09:28

On resuming—

Climate Change (Emissions Reduction Targets) (Scotland) Bill: Stage 1

The Convener: Welcome back. Item 5 on our agenda is the second day of evidence on the Climate Change (Emissions Reduction Targets) (Scotland) Bill. The bill seeks to amend the current approach to setting interim greenhouse gas emission reduction targets.

We will hear from two panels of witnesses today. I am delighted to welcome Dr Alina Averchenkova, distinguished policy fellow, and Catherine Higham, policy fellow, both from the Grantham research institute on climate change and the environment; Dr Thomas Muinzer, reader in energy transition law at the University of Aberdeen; Mike Robinson of Stop Climate Chaos Scotland; and Neil Langhorn, head of strategy and analysis at Environmental Standards Scotland.

Thank you for coming here at short notice. I apologise to those witnesses in the room and online for keeping you waiting. I am afraid that we are struggling with the timetabling of the bill. It is sometimes just a question of getting the formalities right.

We have a load of questions so not all of you will get the chance to answer each one, but if you want to answer, try to catch my eye or wave your hand, and whoever is asking the question will try to bring you in.

I have a gentle question to start with. The Climate Change Committee has proposed carbon budgeting as the most suitable system for setting emission reductions. What are the disadvantages or the downsides of that compared with the current system?

I do not know who wants to head off first. Dr Averchenkova, you are first on my list, so I will come to you first. You did not look away quickly enough if you did not want to answer, but please have a go at the question.

09:30

Dr Alina Averchenkova (Grantham Research Institute on Climate Change and the Environment): Thank you for the opportunity to provide our views today.

On disadvantages, some critique of carbon budgets in the academic literature includes points about potential lack of visibility of the emission reductions required for each year. Some experts therefore argue that annual emission reduction

targets provide a greater basis for accountability and assessing progress. Having said that, my overall view is that the advantages of flexibility that are provided by carbon budgets to deal with uncertainty of annual fluctuations with emissions outweighs that critique.

The Convener: Thank you. Neil Langhorn, do you want to add anything to that?

Neil Langhorn (Environmental Standards Scotland): Sure. One of the main disadvantages is the potential time lag in knowing whether you are on track if you are accounting only at the end of the five-year period. We support some of the proposals in the bill on regular reporting and scrutiny by the CCC, but there would be a concern if we were hearing whether we were on track only at the end of a five-year period.

We have some concerns about that element of the bill and about knowing whether we are on track and the Government reporting against that and, if it is falling behind, saying how it will catch up.

The Convener: Dr Muinzer, do you want to add anything to that? It appears that the Government will report just before we go to the polls. Is that the right time to make sure that the Government has been doing the stuff that it needs to do in the interim?

Dr Thomas Muinzer (University of Aberdeen): It is difficult to line such things up. In a perfect world, they could perhaps be aligned a little more fruitfully, but one of the merits of the carbon budget system is that the typically five-year time blocks tend to cut through whatever is occurring in the background. Major things might be occurring, including budget cycles, fiscal planning and so on, and this cut-through five-year process that puts things on the set reductions trajectory that becomes a driver for other things occurring around it can almost transcend them. It is one of the benefits and challenges of the framework and it speaks to what you were asking about with regard to the merits and disadvantages of the current proposals in contrast with the system that we still have, prior to the passage of the bill.

I personally had a soft spot, for want of a better phrase, for the annual target system. I was impressed by the Scottish approach when the Climate Change Act 2008 was passed and Scotland effectively looked at how to push the envelope and improve its sub-state framework for 2009. We saw lots of interesting things being built into the Scottish framework, one of which was annual targets, which did not feature in the national framework in that way. It was running on the carbon budget system. I personally admired the ambition and drive of the robust annual targets.

That is not to say that carbon budgets do not have merit. They have many benefits, as has been stated in some of the papers that are relevant to the bill. For example, a very cold winter can really destabilise an annual target. A carbon budget tends to smooth out peaks and troughs in the emissions cycle. There are also other benefits to carbon budgets, but I would speak up a little for the current system.

I have one final brief point. We have to not lose sight of the fact that we are not just, if you like, comparing and contrasting annual targets with carbon budgets. We are thinking about annual targets that are pegged to interim targets versus carbon budgets. The interim target, which is an element that we might want to come back to, is important and requires scrutiny in its own right because we are proposing to remove those interim targets under the bill.

The Convener: Mike Robinson, you are the last person who I will call to come in. Should there be mandatory reporting at certain stages during the five-year budget cycle, or should it all be left to the last moment before an election? What do you think?

Mike Robinson (Stop Climate Chaos Scotland): I think that you have answered your own question.

There is an advantage to annualisation, particularly when it comes to scrutiny. I chaired the short-life working group on the climate change annual targets after the Climate Change (Scotland) Act 2009 came into force. It is really important that we do not lose sight of the need for urgent action and that we do not take our foot off the gas, which we have done over the past five years, which is why we are struggling to hit the 2030 target.

The biggest thing is to do with scrutiny. How do you impose scrutiny annually? How do you make sure that, in each sitting of each parliamentary session, priority is given to and pressure is placed on delivering against an ambition? Those are the concerns that we would have around that.

I also wonder whether there needs to be a consequence to failure if we are going to report only every five years. What are we going to do about it when we have missed another target? The stakes are much higher than they have been for some of the annual targets that we have missed to date.

The issue for me is very much about scrutiny and how we follow that through. Scrutiny needs to extend to every department of Government as well. It is quite important that meeting the targets is seen as a shared responsibility.

The other thing on timescales—I will just quickly throw in a comment on this now in case there is not another opportunity to do so—is that a comment was made about the potential to tighten up section 36 of the 2009 act, to include a specific deadline. We are quite worried that some of that discussion might bump into the next election cycle—certainly, the target-setting climate change plan might do so, if we are not careful. It might be helpful to seek a little bit more detail around the timetables.

The Convener: Okay. Neil Langhorn, you were nodding along to that.

Neil Langhorn: That issue around section 36 is one that we have some concerns about. At the moment, the Climate Change (Emissions Reduction Targets) (Scotland) Bill proposes that a section 36 report should be required only at the end of a five-year period. Under the current rules, if the Government is not making sufficient progress, it has to publish a report saying how it will catch up. The Government must lay reports annually under that section, although this year we got a report for two years of missed targets.

We definitely want that aspect to be tightened up, and for it to be made clear in the bill when reporting is required. We think that reporting only once every five years seems to be pretty loose.

The Convener: Okay. Thank you for that. I did not come to you, Catherine Higham, but I am sure that you will get called in the next lot of questions, which will come from Monica Lennon.

Monica Lennon: I do not know whether everyone will want to answer this question, but please catch my eye if you do. Should the bill specify when the draft climate change plan should be laid?

Mike Robinson caught my eye first.

Mike Robinson: When it comes to timelines and timescales, the more detail the better, but we would welcome any detail. Obviously, we believe that there is an urgency when it comes to tackling emissions. I know that there has been a narrative around the target perhaps being too ambitious in the first instance, but we would dispute that. The United Kingdom Climate Change Committee's advice at the time was that the target was achievable but ambitious. We are where we are now because there has not been enough action since 2019 to deliver against the target. Our priority is to get that level of detail on timescales.

Dr Muinzer: The term that is used in section 36 of the 2009 act is that the report must be laid

"as soon as reasonably practicable".

That follows the construction that is used in the Climate Change Act 2008; the verbatim phrase is

used. That does not necessarily mean that we should follow that. Legally, it is an open-ended phrase, and we could improve on that by specifying a particular timeframe.

I know that there is some discussion as to whether a plan should perhaps be published in some final or semi-finalised format when the carbon budget is published. We can have a discussion about that, but I think that, at the least, the bill could improve on that phrase by specifying a time period, whether that is commensurate with the budget or should be after a year, for example. We need to discuss the specifics of the timeframe. The current phrase is a little too broad.

Neil Langhorn: We agree with that. Action and delivery are the key to success, so we really need the climate change plan as soon as possible. As the others have said, the phrasing in the bill leaves quite a bit of room for manoeuvre on the timing, but what we need, as soon as possible, is a robust climate change plan that meets all the requirements under the 2009 act. We carried out an investigation earlier this year, and we concluded that the current climate change plan did not meet all the requirements of the act, so the next plan needs to do that, and it needs to be delivered as soon as possible.

We do not see any reason why a climate change plan cannot be prepared in parallel with the setting of the climate change budgets. The CCC advice is not likely to change significantly with regard to what action needs to be taken, so the Government could get on with preparing the next plan and delivering the reductions in the sectors in which we know that progress is needed.

Monica Lennon: The Government has told the committee that work on preparing the plan is under way. We have not seen a draft of that yet, but we can ask the cabinet secretary about that. From an ESS point of view, should the bill specify when the draft climate change plan should be laid?

Neil Langhorn: I am not a legal expert on how you could define that, and we do not know exactly when the CCC advice will come, but we want the plan to be laid as soon as possible after the CCC advice is received.

Monica Lennon: Catherine Higham, do you agree with what you have heard?

Catherine Higham (Grantham Research Institute on Climate Change and the Environment): Yes, absolutely. I agree that the phrase

"as soon as reasonably practicable",

which appears several times in the bill, should not be considered to be best practice. In each

instance where that phrase arises, a timeline should be specified.

I do not necessarily have a view on what the timeline should be. You would need to devise that in consultation with the Scottish Government. As we have seen from the experience of the UK and others, that kind of phrasing leaves a lot of room for manoeuvre.

On the draft plan, not only does the new plan need to comply with the existing requirements of the 2009 act, but there is scope in the amendment process to improve on the requirements for the climate change plan that have been introduced so far. In particular, there could be more clarity about the fact that the plan must be sufficient to meet the carbon budgets that are set, which means that every measure in the plan needs a quantified emissions reduction estimate that it will achieve, so that you can see, in the aggregate, that all the measures in the plan add up to what is required to achieve the carbon budget.

In the UK context, the High Court has said that this is necessarily implicit in the language in the 2008 act. However, it would be helpful if that was made explicit in the Scottish legislation, so that you did not have to go through the process of litigation that has occurred in the UK in order to reach the same end result.

Monica Lennon: That is very helpful, thank you. Lastly, I come to Alina Averchenkova.

Dr Averchenkova: I agree with the points that have been raised by the previous speakers. I would like to add that, based on our research of the first 10 years of the UK's Climate Change Act 2008 and the effectiveness of that legislation, we have identified that the failure to specify the timeline and the vagueness of the timelines in that act have led to each successive Government delaying further and further the presentation of their plans under the act.

Basically, the failure to specify the timeline creates the scope for political backsliding, and the commitment to climate action by the Government might fade. Therefore, it is really important to have a clear timeline in the legislation.

09:45

Monica Lennon: Again, that is really helpful. Thank you.

Last week, we heard from the UK Climate Change Committee and others that, before carbon budget levels are put into law, a draft plan should be published alongside the proposed levels, and that the Parliament should have a chance to scrutinise those. We learned that the previous Environmental Audit Committee of the House of Commons proposed something similar. Does

anyone on the panel have any views on that suggestion? You do not all have to answer every question, but does anyone have a particular view? Do you agree with the Environmental Audit Committee?

Dr Muinzer: Yes, that is very good advice. I do not see why the Parliament should not have a particular capacity to scrutinise. It sounds like a very helpful system.

I live and work in Scotland but am originally from Northern Ireland, which, as you probably know, passed a climate change act in 2022. On the bodies and matters that are taken into account there when carbon budgets are set, the International Panel on Climate Change, I think, has a potential to scrutinise proposals, as the Republic of Ireland's Climate Change Advisory Council certainly has. You want to have reasonable limits to such things, but you also want to explore the scope of useful input when it comes to those drafts. If a draft is provided at the time of the plan and is commensurate with the carbon budget cycle, surely a first go-to would be the Scottish Parliament. It will be important for it to feed in. The suggestions and recommendations are very sensible.

Monica Lennon: Thank you. I think that that is a point of consensus.

The Convener: Mike Robinson wants to come in.

Monica Lennon: Apologies.

Mike Robinson: Just to add weight to that, I tend to agree that it is good advice. The only anxiety that I might have is about how you feed that into the process without delaying the process. For me, that is a very large part of it. This is about urgency and action, so I would be wary of anything that adds to delay. However, obviously, parliamentary scrutiny would be a good thing.

The Convener: Just to clarify, if such things are laid through subordinate legislation, they can be passed unless an objection is raised. Are you suggesting that that is suitable or not suitable?

Mike Robinson: I think that I am saying that it is suitable.

The Convener: You are saying that it is suitable?

Mike Robinson: Sorry—let me be clear. All I am saying is that I agree with the suggestion, as long as it does not result in a delay.

The Convener: So if there is a compromise, it might not be the right one. Are you happy with that?

Mike Robinson: Yes.

The Convener: Okay.

Monica Lennon: I will move on to cover a couple of other issues. This has been helpful so far.

As the bill proposes removing and not replacing the interim targets, can the witnesses help us to understand what might be the implications of an indefinite period with no interim climate targets or carbon budget targets?

Neil Langhorn: This comes back to the point that I mentioned about what happens if it becomes apparent that we are off track. Under the current act, if the Government misses an annual target, it has to publish a report under section 36 of the 2009 act specifying the measures that it will take to catch up on the missed emissions. At the moment, from our reading of the bill, it looks as though a section 36 report will happen only at the end of a five-year period, which seems to us to be way too late. There has to be some mechanism whereby the annual reporting and the regular scrutiny by the CCC can flag that there may be a falling behind or falling off track, and whereby the Government is required to take action and to set out how it will catch up.

Monica Lennon: Alina, you were nodding your head in agreement. Do you want to add anything to Neil's comments?

Dr Averchenkova: Yes. I fully agree. Our research has shown that the model that is used in Germany's climate change law could be a useful example to consider, because it requires that, if the projections on the likelihood of the Government meeting the target show twice that the Government is likely to miss that target, that triggers the requirement for the Government to produce a special climate change programme to indicate how the potential gap in emissions reductions will be met. We are happy to provide more information on that, if useful, at a future point.

Monica Lennon: It would be good to know more about that German example. Thank you for that. I have a couple of more questions, convener. I will try to whizz through them because I am conscious of time.

What periods should the climate change plans cover? Does anyone have a view?

There are no strong views on that, okay.

The Convener: Thomas, you sort of jumped in.

Monica Lennon: Do not hesitate.

The Convener: Now you are in, so you have to answer.

Dr Muinzer: It seems sensible that the climate change plans will in principle be roughly fitted to

time blocks that map on to the comprehensive, typically five-year, time blocks that we will likely see under the carbon budget. We are trying to align and unify those as best we can, where possible. In a perfect world, we would in turn at least align those with our carbon budgets, and with national carbon budgeting processes and others—perhaps even those in Northern Ireland, which are aligning with the national process. That is what I would suggest.

Monica Lennon: Mark, did you want to ask a question?

Mark Ruskell (Mid Scotland and Fife) (Green): I have a supplementary question on something else. I was reflecting on the number of carbon budgets that could be proposed, particularly next year, if the bill goes through and we have our first carbon budget. In evidence last week, the CCC suggested that the Government could bring forward three carbon budgets, which would cover a much longer period. Do you have any quick reflections on that? Catherine Higham is nodding.

Catherine Higham: One of the benefits of carbon budgets, according to the academic literature and to experience in the UK, is the long-term certainty that they provide about the emissions reduction trajectory that a country is committed to. The idea of introducing at least the first three carbon budgets for Scotland, so that you set that emissions reduction trajectory for 15 years, is important. If you introduce only the first carbon budget, there would be a lot of uncertainty about what would happen after that. I completely agree with the CCC that it is important that multiple carbon budgets be set in advance.

Mark Ruskell: I am seeing nods. Would anybody like to elaborate on that?

Neil Langhorn: We agree with the CCC that we should set the first three carbon budgets at the same time, which gives certainty over the long-term trajectory and allows you to bring forward a climate change plan that has short and longer-term measures. One of the learnings from the past few years is that some of this action takes an awful long time to scale up, so the sooner you can be certain about that long-term requirement and start preparing for it, the better.

The Convener: Sorry, before I come back to you, Monica, Bob wants to come in.

Bob Doris (Glasgow Maryhill and Springburn) (SNP): I will come in briefly. I get the desirability of having that line of sight to 2045 with three carbon budgets, and of having a longer-term delivery plan, but should Government embrace the uncertainty, if you like, because Governments have no idea what capital budgets will look like in, for example, year 6 to year 10 or year 11 to year

15? They have no idea what technological advancements there will be, so should we expect the second or third climate change plans, if produced up front, and the carbon budgets, to change as a matter of course over time, and should Government embrace that uncertainty but give a line of sight to 2045 nevertheless? I hope that that makes sense.

Neil Langhorn: There is something in what you say. Things are certainly moving on and technology is developing all the time, but the carbon budgets advice given by the CCC will be based on its understanding of the technological developments and what is achievable. There will always have to be a bit of flexibility to adapt as you go along, but we need to make a commitment to provide certainty to people about what is coming down the line and what you are aiming for.

A degree of flexibility will always be required, but I think we can do better than we have done at the moment.

Mike Robinson: The more certainty you can provide, the better, but there needs to be an amount of pragmatism because of changes that are naturally happening around us. That certainty is critical if you want private sector investment.

One of the biggest concerns is that there is such uncertainty in some aspects of the direction of travel, so nobody knows where to invest or where to innovate. The more guidance we can give and the more certainty we can give about the direction of travel, the more we are going to get the type of support that I know the Government wants. It is critical that we provide that. Where the solutions are clear, we should be laying them down and giving as much commitment as possible for the longer term.

Bob Doris: That is helpful—thank you.

The Convener: Back to you, Monica.

Monica Lennon: This follows on nicely from the previous question. Mike Robinson made a point well about more certainty helping with investment and transparency. As far as Parliament and the wider public are concerned, what information should be made available, ideally, to enable robust scrutiny and understanding of whether the proposed carbon budget has hit the right balance between being ambitious and being realistic? It is partly a question of communication and keeping people on board. What type of information do you think should be available?

Mike Robinson: This will not come as a big surprise, but I think that there is still a lack of understanding of the issue among the general public. There is a massive skills deficit in almost every sector, which is not really being addressed, and I think that is a significant hindrance to action.

There is no easy means for those already in work, in particular, to learn new technologies, new ideas and new ways of doing things. We are seeing that starting to cause bottlenecks in different spaces already—that issue has been around for a while.

One of the really important areas of discussion is how to embed, share or explain that more broadly. In the non-governmental organisation community sector, we think that we have an important role in helping to create that space, and that is another reason for having clarity in direction.

Monica Lennon: I wonder if Alina Averchenkova or Catherine Higham want to answer.

The Convener: Catherine was nodding, so we will go to her first, and then to Alina. They were both nodding, apparently.

Catherine Higham: I will pass that question to Alina, as she has done a lot of work on the subject of public communication and participation. I am sure that I will agree with what she says—and she will say it better.

Dr Averchenkova: Thank you, Catherine.

The Convener: I am sure that Alina will have been happy with the pre-agreement—but off you go, Alina.

Dr Averchenkova: Thank you. I agree with the previous comments. Our research shows a very great need for simplicity in communication about progress and the implementation of climate targets and additional actions that need to be taken. Specifying what each citizen can do is a very important part of that.

The main point that I want to make is that the proposed amendments to the law provide an opportunity to go beyond that when it comes to communication, ensuring that there is a very strong basis for meaningful public participation as Scotland develops climate change plans to implement each carbon budget. The original climate change legislation included provisions for the citizens assembly on climate change, which was held in Scotland in 2021. There is an opportunity to specify in the provisions what each climate plan should include.

It would be good to consider a specific, explicit requirement for the Government to ensure meaningful public participation in the preparation of the climate action plan. That would not just ensure better information on climate change and the process of implementation of the 2009 act; it would improve the quality of the plans that were prepared to meet the carbon budgets and, based on the previous research, it would potentially increase public support for climate action. There is a direct link between meaningful public

participation and the quality of the public response to the Government's action on climate change.

Acting in that way would put Scotland among the leaders in that space. It would be in accordance with requirements of the Rio declaration, which requires meaningful public participation and access to information. It would also be in accordance with the Aarhus convention, the Paris agreement and the required practice under the European Union's governance regulation, which states that member states must prepare their national climate and energy plans in a manner that includes explicit processes of public participation.

At a practical level—this emphasises a point that was made by other speakers—it would be useful if, when preparing the first plan, the Government explicitly considered recommendations of the citizens assembly of Scotland, as long as that will not cause a delay in preparation of that plan.

10:00

Monica Lennon: Thank you. There is a lot in your answer that is helpful, and you have made good points about meaningful participation. I am interested in other places in the world where climate assemblies have made recommendations to Governments. When those recommendations are not accepted by Governments, can that be quite harmful to public confidence and support for climate action? Does that, in itself, undermine meaningful participation? You do not have to comment on Scotland, but it would be good to hear about examples of countries that have handled the process well.

Dr Averchenkova: I refer you to the work of the Knowledge Network on Climate Assemblies, of which we were one of the founding members. It tracks and analyses the experience of national assemblies on climate change in Europe. As part of that effort, we have analysed basically all the national climate assemblies that have taken place in Europe, and can say that there are strong examples of climate assemblies having an impact on climate policy, such as the French Citizens Convention on Climate, almost half of whose recommendations have been either picked up in the climate change law that was subsequently introduced in France or in specific executive policies that have been introduced by the Government. That citizens assembly has generated vivid debates on climate change involving the broader public and society in France. There are many examples from other countries of recommendations from climate assemblies leading to institutional reforms on climate change. For example, in the Republic of Ireland, the creation of the Joint Parliamentary Committee on Climate

Action was based on the recommendation of the citizens assembly.

On the potential negative impacts and harm to public confidence that you mention, it is important that, before a citizens assembly is organised, there is a clear plan for what will happen with the recommendations, who will consider and receive those recommendations—whether a parliamentary committee, the Parliament at large or the specific Government department—and how that body will respond to the recommendations publicly. Again, I commend the Government of France in that regard. It has a good website that tracks the status of implementation of the recommendations of the citizens assembly. That is updated every six months, so one can see what has been followed up, what has been picked up and what has not been picked up. That is good practice in terms of governmental transparency.

Finally, I would say that one of the important impacts of deliberative public participation mechanisms such as climate assemblies is the empowerment of citizens. The people who take part in the assemblies go through a learning process and are involved in facilitated deliberation. After the assembly has finished, many of them become advocates at the local level in their own communities or form NGOs, which continue keeping the Government accountable on the implementation of recommendations and continue working at local level in their respective communities to communicate the importance of climate change and induce people to act on that.

That is not necessarily to say that they were green and climate supporters before that, because, especially in Scotland, Climate Assembly UK controlled things to ensure that people with views that are supportive of climate action were balanced with a strong representation of those who were sceptical, as well as there being people from different ends of the political spectrum.

Those are some of the really important impacts that we can observe.

Monica Lennon: Thank you—that is hugely helpful. I will hand back to the convener.

The Convener: Thomas Muinzer has indicated that he wants to come in, and I will then move to the deputy convener.

Dr Muinzer: Thank you. We have moved slightly from transparency to public engagement, and transparency is obviously very important. In Scotland, in the 2009 version of the legislation, we built in public engagement provisions and a public engagement programme that were quite cutting edge for the time. That certainly was not present in the UK's national act, which we talk about a lot in terms of that period, because it was the only

national climate change act in the world at that time. In 2019, when we amended the Scottish act, we built in the citizens assembly structure. Therefore, in a sense, Scotland had built up a good head of steam legislatively when it came to public engagement and consciousness raising.

One could discuss how impactful or otherwise the citizens assemblies have been. Dr Averchenkova has pointed out that, in Ireland, there was a fairly direct channel of impact. It is fair to say that, in Scotland, it might be discussed how impactful or otherwise it was, but it is an important institution. However, legislatively, there are public engagement provisions that we can track, as it were, across the iterations of the 2009 act.

The question on the current bill then becomes relatively narrow, because we are thinking about specific things such as climate action plans and carbon budgets and not, in principle, overhauling the whole parent framework. The question is whether there is a way to embed in the climate action plan—I mean climate change plan; excuse me for saying climate action plan, which is what we call it in Northern Ireland—certain provisions that might assist in public engagement and consciousness raising around the plan. There are probably opportunities for that.

Monica Lennon: I think that climate action plan is a better name, but I will leave that for others to decide.

The Convener: We move to questions from the deputy convener.

Michael Matheson: I will turn to the written evidence that was provided by Catherine Higham and Alina Averchenkova in response to the question about carbon budgeting. In particular, you set out the advantages of a five-year carbon budgeting process, which can assist the short-term and long-term direction of travel in tackling climate change, and how such a process provides greater flexibility. You talk about the need for regular reporting to give transparency on, and accountability for, exactly what progress has been made in the five-year period. What would an annual or regular reporting mechanism look like in the course of a five-year carbon budgeting process? Although it is in Catherine's and Alina's written evidence, I am happy to hear from the other witnesses, too.

Catherine Higham: That is a great question. The bill, as it is drafted, includes annual reports on emissions reductions and annual progress reports from the Climate Change Committee. To complement that and help to ensure that there is a really strong sense of accountability within the Government, and to enable co-ordination between Government departments, there could be a requirement on Government departments to report

each year not just on emissions or how they are projected but on key performance indicators in the climate change plan—for example, which of the policy measures have been implemented and how many homes have received subsidies for changes to home heating.

I am not saying that those key performance indicators should be prescribed in the legislation, but, if they were set out clearly in the plan and there was a requirement for the Government to introduce annual reports saying how far it was getting, that would assist the Climate Change Committee with assessing progress. The Climate Change Committee tries to assess that, but in the UK it is sometimes hindered by not having sufficient information available to make assessments. Having that clarity would help, and we have an opportunity to require Government departments to communicate with one another about whether they are on track and what they are doing for those annual reports. That could also have a positive impact on co-ordination.

Michael Matheson: Picking up on your suggestion, given your international experience of instances in which carbon budgeting has been used—whether in other parts of the UK or in other countries beyond it—what processes have been used that have been effective in ensuring that there is on-going, regular reporting of progress that offers the level of transparency that you are looking for while also balancing that against avoiding “creating a culture of failure”—a term you used in your evidence—and avoiding creating undue concern about what progress is being made in a five-year carbon budgeting period?

Catherine Higham: Ireland is one of the countries that have followed the carbon-budgeting approach. Its Executive has adopted requirements to report against the plan quarterly to show where progress is on track to meet targets. When we interviewed people in Ireland for a recent report, we got a sense that quarterly reporting might be too frequent; it might be too much. However, annual reporting, which we have seen in Germany and other countries, has a significant impact.

One of the things that has also had a positive impact is annual reporting across Government as a whole, but there is also sectoral progress. Countries such as Ireland and Germany have annual sectoral targets—in the legislation, in Germany, and in the climate action plan, in Ireland. Sectoral targets are also helpful in ensuring that there is progress in sectors, and the Government as a whole can then assess what sectors are on track and what needs further action.

Those are some examples. It is not an exact science and, of course it depends to some extent on the administrative culture in a country, but, at

the very least, annual reporting from within Government sectors could be helpful in increasing cross-Government accountability.

Douglas Lumsden (North East Scotland) (Con): I have just lost my place in my papers—sorry.

The Government has described this as quite a narrow bill with limited provision for the amount of evidence that we can take, and it has set quite a tight timescale in which to do all of this. Has there been enough time for Parliament and stakeholders to scrutinise the bill and make suggestions on how it could be changed?

Dr Muinzer: That is an important question. I understand that we are on a particular timetable, but the bill does feel quite rushed. We were discussing whether we would potentially set one or three carbon budgets. In the 2008 act, three carbon budgets were set and they were basically embedded in the framework. Whether we set one or three—let us say that we set three—in a perfect world, they would be embedded in the bill.

At the moment, the intention is to pass the bill and then use regulations to set carbon budgets. There is a provision in section 4 that says that the regulations that set the carbon budgets will then amend the parent act in relation to the carbon budgets or budget levels, which will allow the act to catch up with itself almost. That speaks to the theme of the slight rush, which, although I appreciate and understand the timetable issues, is a concern.

10:15

Douglas Lumsden: Was there an argument for making the bill even narrower by removing the targets and setting the new carbon budgets in different legislation? Do you have a view on that?

Dr Muinzer: Yes, I do. To be honest, I am talking in principle, because I appreciate that the timetable exists and it would potentially be going in the opposite direction if we tried to take what pause we could—I appreciate the constraints—and made the bill more fulsome by including the actual carbon budgets in it. In a perfect world, the momentum would, in my view, be in the opposite direction and the bill would be made more fulsome in what it is trying to do.

Douglas Lumsden: Okay. Does anybody else have a view on the timetabling?

Mike Robinson: The deputy convener talked about a culture of failure, but it is really a culture of responsibility and accountability, is it not? The failure is simply that there has not been enough action in the past five years, since the committal to the targets. For us, the critical issue is what we are going to do about that and how we are going to

move forward. In opening it up, there is a danger that we will go back, because we are just delaying the process. Fundamentally, it is about getting an action plan in place as quickly as possible and then starting to implement it.

Neil Langhorn: I echo that. There is a particular timetable that is driving the process. To some extent, it is fine that the bill is drawn narrowly to just change the system, but we need to be clear about what will happen next. Certain elements of the bill could be clearer about exactly what will happen next—when the budget will be set, when the climate change plan will be laid, and so on.

Douglas Lumsden: Do you feel that there will be enough opportunities for you to play into the process of setting the target, given that it will be in regulations and not in the bill?

Neil Langhorn: The CCC is the primary player there. It will give the Government advice on the budget, which should feed through directly into the regulations.

The key is in having sufficient time for scrutiny of the climate change plan. We must avoid the situation that we ended up in when the draft plan was laid in Parliament in 2021. At that time, there was scrutiny and lots of suggestions and recommendations were made on the plan, but there was not enough time to adopt any of them, so it was just put through before the election. We must ensure that there is adequate time for scrutiny of the action plan, and it seems to us that the best fit is for that to happen alongside the budgets.

Douglas Lumsden: You would like the draft plan and the draft budget to come out together.

Neil Langhorn: I think so, yes.

Douglas Lumsden: Does anybody else want to respond to that question? It appears not.

In the position paper, the Scottish Government says that it does not intend to align with the UK carbon budget periods. Do you have a view on that?

Dr Muinzer: Please forgive me for referring to Northern Ireland again, but we had our framework passed in 2022 and Northern Ireland has decided to align with the UK budgets. I have them with me. We are in the middle of the 2023 to 2027 budget at the moment, so Northern Ireland is coming to that quite late, but it is going to align with the 2023 to 2027 budget. That provides an example of how one might enter the budget system from a standing start, if you like, almost within a budget.

I appreciate that there is concern that, if we aligned with the UK carbon budgets, we would commence a budget in the middle of, or after the commencement of, a regular five-year budget time

block under the UK act. However, personally, I find it attractive to align with that scheme, simply because it seems neater and more straightforward. It makes more sense to have the budgets in alignment. Our colleague Alina Averchenkova discussed public engagement and consciousness raising, and that would also be easier to communicate to the public.

You would need to speak to the business and investor community, but alignment probably makes a little more sense. Surely, it would be more clear cut to have uniform budget periods. I appreciate that there are challenges to starting a budget once a five-year budget period has commenced, but I would probably encourage us, in Scotland, to be bold, step into the midst of the UK budget and have that shorter phase initially before entering the regular five-year time blocks.

I will again draw a contrast with Northern Ireland. I used the term “standing start” intentionally, as Northern Ireland has a new framework that is just getting up a head of steam. In Scotland, we have a very good tradition of doing this kind of work. We have had our framework up and running from 2009, and we have on-going work on our climate change plan. Therefore, we have some money in the bank in terms of the work behind this, so aligning Scotland’s first carbon budget might require less of an adjustment than we might think. That is just my view—I appreciate that there are alternative views on that.

Douglas Lumsden: The first budget could cover three years and be followed by a five-year budget and another five-year budget. The first budget period would get us back in alignment with the rest of the UK.

Dr Muinzer: Yes. Personally, I think that alignment is very attractive, and that is how we would approach it, but I appreciate that there are a range of views.

We could make other points in that regard, too. I am sure that, if we canvassed the CCC—I know that you have heard evidence from it—alignment would probably more easily fit with its workload, because it is used to thinking in those particular blocks and patterns. The CCC also reports annually on granular pathways and so forth, so it could adjust to a Scotland-specific timeframe. That would certainly not be off the table. However, in terms of working with the CCC and how things interweave and interconnect, and perhaps even in corresponding with Northern Ireland, synergy might be easier if the budget periods interlink.

The Convener: Neil Langhorn, did you comment on the issue in your written evidence?

Neil Langhorn: We commented that we do not have a fixed view on the alignment of budgets. We can see arguments for and against that.

I come back to my principal point that setting the first five-year budget is vital. After doing that, we can get on with agreeing the climate change plan and delivering against it.

If we were to align, there is a lot in what Thomas Muinzer said about perhaps having an interim plan. We cannot have a gap of several years before we have the next budget and the next plan.

Mike Robinson: I echo all of that. The only thing that I will add is the obvious point that there would be more scrutiny of the Scotland budget without alignment. Maybe it would not be a bad thing in the long run if that budget was more visible and separate from what is going on at the UK level.

The Convener: You said that it might not be “a bad thing”. The point was made earlier that businesses are gearing up to deliver. My concern is that, surely, if they are aiming at different targets on different parts of the range, there will never be consistent output.

Mike Robinson: I am not sure that that is how businesses are motivated explicitly. I think that it is more about what is required and what they need to do to achieve delivery. Back in 2019—the year that the targets stemmed from—there was a huge response from businesses, which were very ambitious in how they wished to deliver against net zero targets. In some cases, they were off-the-scale ambitious.

I do not think that businesses are following it that closely. They are more concerned about what, sectorally, they are supposed to do, how they can achieve that, what is investable and where they should innovate. Those are the questions that they need answers to. Business is not afraid of legislation—I am sure that you will recognise that—it just wants clarity. The fact that the targets are slightly altered, whether you are looking at Scotland or the UK, will not make a lot of difference to the way that business engages.

The Convener: If business has to meet different targets in Wales, Northern Ireland, Scotland and England, that makes for a complicated playing field.

Bob Doris wants to come in on a point about legislation.

Bob Doris: Yes, I was looking at the legislation on my phone, convener.

First, though, I will respond to Douglas Lumsden’s questions to Thomas Muinzer. Douglas made a reasonable point—although I do not necessarily agree with it—in suggesting that the bill could be narrower and that we could remove all targets altogether. My concern is that that would leave a vacuum. We should get the carbon targets entrenched in law and then have a

discussion about the scrutiny of the statutory instrument that will deliver those five-year carbon budgets. I do not know whether Dr Muinzer wants to comment on that. Would you rather have the carbon targets entrenched in law, or remove the current set of targets?

Dr Muinzer: To put it in a friendly way, I agree with both of you gentlemen, but perhaps most particularly with you, Mr Doris. If we can embed the targets in the bill, that pads the bill out and makes it clearer, but I understand what Mr Lumsden is pointing to in that we have certain timetabling issues, if I can put it like that. We are moving at a certain pace but, ideally, the bill would be more fulsome. We do not want to rush it. I do not see why the carbon budgets would not be stated in the bill, time permitting. There could be some clarifications around when the climate action plan appears and that we could flesh out certain elements of it as soon as is practicable, to make it a little clearer and perhaps a little less rushed, for want of a better term.

Bob Doris: That is helpful, because the bill takes the power to set the five-year carbon budgets and a level of scrutiny is dictated within what is a framework bill. My colleague Monica Lennon alluded to that in earlier questioning. It is called an affirmative instrument, and it means that we suspect that, at some point next year—which brings us back to the timescale uncertainty, I suppose—the Scottish Government will lay a draft statutory instrument that will outline the five-year carbon budgets and there will be a 40-day period in which this place and others can scrutinise it.

There is another way of doing it, which is a super-affirmative procedure. That would have the Government lay draft regulations, consult on them for 60 to 90 days, reflect on what this committee and the Delegated Powers and Law Reform Committee say, and then lodge the final five-year carbon budgets for Parliament to take a decision on. Do the witnesses believe that moving from an affirmative procedure to a super-affirmative procedure would afford the proper level of parliamentary and wider civic scrutiny of the process of setting five-year carbon budgets? Various witnesses might have views on that. Shall we take Dr Muinzer again in the first instance?

Dr Muinzer: I find the level of scrutiny that that procedure affords attractive. I am no expert on affirmative and super-affirmative procedures, so I am just giving an individual view on that. I find it attractive, but I also recognise that it is a little more procedurally cumbersome, if that is the word. There is a balance to be struck.

I have a brief point to make on that. You made the good point that the bill is quite narrow, so one thing that we need to flesh out with the carbon budgets is some sort of broader detail. Under the

2008 act, we use banking and borrowing, which is where you can bring some units into another period if you have exceeded your headroom in one period, or borrowing, which is where you can accrue some credits from the budget that is going to come, to give you a bit of flexibility. It is not clear in the bill whether we are going to incorporate banking and borrowing. It is not particularly clear where we stand on international emissions from aviation and shipping and so forth. I am sorry that I am taking a slight tangent, but, when you raise the issue of the narrowness of the bill, certain questions arise about carbon budgets that are not necessarily answered in the bill, if that makes sense.

Bob Doris: Those things could be picked up in the secondary legislation.

Dr Muinzer: Yes.

Bob Doris: Mike Robinson and Neil Langhorn said that we should get the carbon budgets out there, following the UK Climate Change Committee's advice, and that we should get the delivery plan—the action plan—in train as quickly as possible, given the urgency of the situation. I am conscious that if, as I am arguing, the super-affirmative process were used, that would add another three months to the time period, which could result in a delay in setting the five-year carbon budgets and the delivery plan. Something has got to give somewhere. Do you have any reflections to offer on that, Mr Robinson?

Mike Robinson: There would also be the potential danger of bumping up against the election cycle and everything else. It is a balancing act, of course. It is a difficult issue. I do not understand the detail of the super-affirmative process but, at the end of the day, the bill is a modification of existing legislation, which was scrutinised. Maybe there is still an opportunity to do what you are suggesting and put some of the detail back through a different process, but it is really important that there is a clear signal of intent.

The other point is that describing what is being done as the removal of the 2030 target has done a lot of damage, because people think that we are talking about giving something up, whereas, in fact, we are talking about a modification. It is a reduction of achievement level, rather than a complete and utter move away from the targets. It is important to have some of the detail in there.

One of the big things that I felt was important about the 2009 act was that it empowered people in all walks of life to start to make changes in their organisations. The consequence of the legislation was very powerful but quite subtle. When you get legislation that works like that, as well as setting

the direction and giving clarity on the intent, it liberates people to go and do the right thing.

10:30

Bob Doris: I am sorry for sounding like a legislative geek here, but do other witnesses have a view on whether to use the affirmative or the super-affirmative process? One gives greater scrutiny and time for consideration but builds in a bit of delay. Do other witnesses want to comment on that before we move on to the next line of questioning? Neil, do you have a view on that?

Neil Langhorn: Not really. I echo Mike's point. My worry is that we would then be butting up against the next election. Our view is that we need to get on with setting the budgets and then setting the climate change plan to deliver them.

Bob Doris: I am not sure whether any of our witnesses online would like to comment.

The Convener: I am interested in this issue, because we have ended up where we are because we set targets that were unachievable. Carbon budgets will set targets that have to be achievable in order to get people to buy into them. I am trying to understand the level of scrutiny that the Parliament should be exercising to make sure that the three carbon budgets—that is, 15 years' worth of carbon budgets—are achievable, so that we do not repeat this process again in 15 years.

Mike Robinson: I cannot help saying that the targets were not unachievable. They were described as being ambitious but achievable. The reason that they are unachievable now is that there has not been enough action. We have had the declaration of a climate emergency but not a lot else. It has been a failure of action, not a failure of ambition, that has led us to where we are now.

The Convener: I am sure that the cabinet secretary will be asked that question in the next evidence session.

Douglas Lumsden: I will pick up something that Bob Doris mentioned. I was going to ask about surpluses and deficits, but I think that we have mostly covered that under banking and borrowing. Should surpluses and deficits be allowed to be carried forward to the next budget? Mike Robinson, you made it clear in your submission that you do not agree with that, but I am interested to hear what others have to say.

Dr Muinzer: Personally, I do not agree with that, but if we look objectively at the bill, because it is facilitated in the context of the national carbon budgets, there may be an assumption that aspects of that might be facilitated in this carbon budget scheme. We will need to parse out carefully—ideally, we would do this in the bill, but it looks as though it might happen when the regulations are

set—what we want to roughly marry up with in the national budget scheme, not necessarily in quantities but in terms of methodologies, and what we might want to depart from. Ideally, in a perfect bill, there would be explication of, say, the quantity of international emissions credits that one might be able to purchase towards budgets and so forth, but we do not see that in the bill.

As I am sure that we are all aware, international shipping and aviation emissions are factored into our net zero target. They will become part of the UK's sixth carbon budget, because that was set in law by order in 2021. We will want to think about how we frame the incorporation of those sorts of emissions as well.

I am sorry—I do not want to go into too much breadth, but you raise a good point. We will need to resolve that and other points in relation to where we share methods and where we perhaps depart from those that are used in the national scheme.

Douglas Lumsden: Does anyone else have any comments?

Catherine Higham: On the point about banking and borrowing, that is in the UK scheme, but the UK has been advised by the Climate Change Committee not to use it. There are very good reasons to say that it should not be a part of Scotland's scheme. The whole point of these carbon budgets is to produce certainty about the trajectory, so if you start saying that you can borrow from the future in order to not achieve your current ambition in the present, you will get yourself into hot water. Although people have tried to make arguments in favour of it, not including that in the Scottish scheme would make sense.

That does not mean, of course, that if a deficit is projected or there is a deficit in reality against a budget, there should not be action to compensate for that, but that should be more of a corrective process as opposed to the idea of borrowing from the future.

Douglas Lumsden: Could there be any unintended consequences if a Government has almost met its targets quite near the end of a period and might actually delay some interventions until the next cycle?

Catherine Higham: That is a really good point. In some of the research that we have done, people raised concerns—I think that it was in the New Zealand context in particular—that carbon budgets acted as a ceiling for governmental ambition rather than as the minimum that should be set; in other words, the focus was only on achieving the carbon budgets and not on doing more. However, given the position that Scotland finds itself in and the fact that the ambitious targets that were set in 2019 have not been met, it is more important to have those stretch targets

than it is to worry about discouraging overperformance. We want performance at this point.

Dr Muinzer: Just briefly, the borrowing element, where we take units from a forthcoming carbon budget and bring them into the current budget to make up a shortfall, is highly constrained under the Climate Change Act 2008—the national act—and is limited to 1 per cent of a particular carbon budget. You can borrow 1 per cent of the forthcoming carbon budget. I am not in favour of borrowing, but it is worth pointing out that, if we were to use it in Scotland, which is probably not a good idea, we would also need to consider whether to impose that type of restriction, or what sort of restriction would be placed on it.

Douglas Lumsden: Thank you.

The Convener: Mark, I have kept you waiting for rather a long time. Sorry about that.

Mark Ruskell: No—the evidence has been excellent.

The Convener: Before you start, I will just say that a couple of other members want to come in. I am happy to keep the cabinet secretary waiting, but I cannot stop my members getting questions, as that will have repercussions for me, so short answers would be very helpful.

Mark Ruskell: Indeed.

Obviously, where we are is really disappointing. The 2030 and 2040 targets are being dropped and we are moving to a new system of budgeting. What are the top-line lessons that the Government should learn from the past five years? Mike Robinson spoke about the level of action planning. I know that ESS has done a number of reports that have held the Government to account over the production of climate change plans. We have also had a long-running discussion between the Parliament and the Government on financial budgets, a net zero test and the need to embed climate change thinking in the work of Government.

From each of your perspectives, will you nail down what you think the central lesson is from the past five years? How do we now get on track for 2045 or even earlier?

Mike, do you want to start?

Mike Robinson: That is a huge question. There are many delays. I would be interested to find out what the panel thinks was the reason for the lack of action. There are obvious points about the urgency of the process. I sit on the agriculture reform implementation oversight board, which is the ministerial board on agricultural subsidy. On that board, it has been made clear that, simply because of the whole parliamentary process, it will

probably be 2027 before meaningful change is brought into that space. Obviously, there are timescales to go through. Again, it comes back to the balance between scrutiny, discussion, engagement and all the rest of it.

I do not think that enough has been done on public support for skills. As I have said, there is a massive skills gap in every sector that I look at. We are trying to help to respond to that, but there is an awful lot more to be done there.

There is not a shared responsibility across the whole of Government to deal with the issue. The issue is still seen sectorally or departmentally too much, and that is true to a degree outside Government as well.

Fundamentally, if I had to put the situation down to one thing, it is that we are not really funding the process. We simply do not want to fund this change. That is short-sightedness, unfortunately, because the greatest cost is inaction, as the Scottish Fiscal Commission and others have tried to portray. There was a very good Office for Budget Responsibility report last year that did exactly the same. Unfortunately, there is obvious pressure on short-term finances but, until we start funding it, we are not going to see much change.

Mark Ruskell: We had evidence last week from the Scottish Fiscal Commission, which pointed to the need to line up the financial budgets with the action plans and the technical pathway that has been set out by the CCC. Do you think that there has been a real disconnect between action and budget over the past five years?

Mike Robinson: Yes, I do. There has obviously been pressure on short-term budgets, with a number of other priorities, but we are sometimes not joining up the problems that we have. There are ways to mitigate things. This is fundamentally a justice issue, too. Even now, a big factor is the fact that climate change is largely having an impact on poorer people—that is the case in our own society, let alone globally. We are not joining up the dots very well when it comes to our commitments. Things are a bit too business as usual, with tweaks being made later. We need to embed action properly in decision making.

Neil Langhorn: Three things are needed: first, a robust, creditable, compliant climate change plan; secondly, scrutiny and monitoring of delivery against that plan; and, thirdly, linking up action between the UK, Scottish, regional and local levels. The work that we have done in response to representations found that the previous climate change plans were not compliant, because they did not quantify the emissions reductions that were associated with individual policies and proposals, and they did not give clear timelines for policies and proposals.

The first thing that we need to do to meet those requirements is to have a clear plan and a clear line of sight on how that plan will meet the targets. Secondly, as Audit Scotland identified, the Scottish Government must improve its monitoring of delivery against the commitments and targets in the plan. That relates to earlier comments about not just reporting on emissions but reporting on some of the administrative data on whether we are meeting targets for numbers of heat pumps, planting trees and so on. Thirdly, it is a matter of joining up that action between the Scottish Government, the UK Government, local government and others.

Catherine Higham: I would agree with the points that have just been made. It is clear that there needs to be a very transparent, clearly quantified set of actions in a plan. That seems to have been lacking. There is a need to set out what needs to happen, ensuring that there are interim accountability points, at which Government departments have to talk among themselves and convey to the public what progress is being made. That is a critical part of trying to avoid such issues in future.

Dr Muinzer: The question is a very good one. I basically agree with the points that have already been made. To make a link with the provisions in the bill, it is worth underlining something. I am going to gesture with my hands here, which is not too helpful for the *Official Report*—apologies for that—but we are aiming for net zero here, at a certain level, and emissions are higher, up here, based on 1990 baselines. We want to get them lower—down here. Typically, when we take such lessons and implement them meaningfully under this type of legislation, we have interim reduction targets, or pegs, which chart our trajectory. We are going from here to here, and the proposed legislation places the pegs at the interim targets.

We propose to remove the interim targets. The general trajectory is hung on the pegs. We can hang annual targets or carbon budgets on them—but we do need something to hang those on in principle. That is best-practice thinking. To learn the lessons that colleagues are pointing to, we need to bear it in mind that we are removing the interim pegs through the proposed legislation, and we will make the trajectory unstable, because there is nothing direct or immediate to hang it on. You can use carbon budgets, annual targets or another device but, without the interim pegs, it will be difficult to realise those lessons.

I put that in narrow legislative terms, because the things that I know best are the narrow technical points of the legislation. We would be cautious, frankly: you should not necessarily remove interim targets merely because we are

adjusting annual targets to carbon budgets. Those lessons could be thrown into jeopardy.

Mark Ruskell: You are saying that the bill is introducing a level of flexibility, which might have some advantages in ramping up programmes and change, but there is nothing to hang things on, ultimately, apart from the 2045 target. There is a risk of failure, unless the action is really pegged down.

Dr Muinzer: Yes. By way of a brief example—the convener asked for brief answers—if we take the Scottish experience, we are very much concerned with net zero, which is a headline issue. Originally, the target was 2050, which was amended to 2045 and converted to net zero.

However, initially, the real engine room of the whole framework was not that target; it was our 2020 target, which sat at 42 per cent. The committee will remember that we were trying to meet that 42 per cent target, which we did. It was amended upward to 48.5 per cent in 2019, if memory serves. That initial interim target was the engine room. It was the engine room of the national act as well. It had a 34 per cent target for 2020. In practical terms, we have a lot of important discussion about net zero; it sets our long-term framework.

If the committee thinks back to where the focus was as we moved towards 2020, the interim target was very much the first peg. That focuses minds and helps to focus budgets, notwithstanding uncertainty. It provides long-term certainty over the medium range. The carbon budget is short term—it covers a five-year period. We have the interim pegs for the medium range, and then we have the long-term net zero target. So, the answer is yes.

10:45

Dr Averchenkova: Good points have been made; I agree with most of them. For me, the main lesson learned is that ambitious targets that are not backed up by credible implementation plans do not work. That is the case not only in Scotland but around the world.

The proposed amendments that we are discussing today are about strengthening the requirements in relation to climate change plans, backed up with annual scrutiny of progress made in the implementation of carbon budgets. There have also been comments about additional information that the Government should be required to provide as part of that annual scrutiny, and as part of the climate plans, in relation to quantifying the emissions reductions that are expected from each measure that is proposed and clearly assessing whether they add up to the level of the carbon budgets.

Those measures would really help to address the shortcomings that we witnessed in the previous period.

Mark Ruskell: My final question is about the section 36 report, which a number of witnesses have mentioned. Last week, two catch-up reports in relation to two years of failed targets came out.

We are going to need to do a lot of scrutiny of the budgets. We have had catch-up reports, but do witnesses have thoughts on the level of detail that was presented to Parliament? Did it address some of the concerns that SCCS, ESS and others have had about the lack of action that led to those failed targets?

Neil Langhorn: We would look at it in the context of our scrutiny of the climate change plan. The climate change plan is required to set out those quantifiable emissions reductions and timelines. I am not convinced that the section 36 report does that; it does not have clear timelines for some of the proposals or quantifiable emissions reductions.

We would make the same criticisms of the section 36 report that we did of the climate change plan.

Mark Ruskell: Will ESS formally write to the Scottish Government about the adequacy of the section 36 report?

Neil Langhorn: We could do that. We have been waiting to see what happens with the bill. We were waiting for that report, which came out just before the bill, but we have been focused on the bill at the moment. However, we could do that as well.

Mike Robinson: I would make the same point. The report needs to be tightened up and have a specific deadline. We are seeing a number of reports being very late. It comes back to the “as soon as practicable” point again. It needs to be much more specific.

Mark Ruskell: To be clear, if we move forward into a new system—and we have budgets, and an element of section 36 reporting is still there if we are failing to meet the terms of the budget—do you think that what the Government has presented is adequate?

I will come back to you, Neil Langhorn. To be absolutely clear, is this the way that we are going to continue? Is it appropriate that we continue along this way, or are we looking at having a much more detailed level of information?

Neil Langhorn: I would suggest that we have had very limited time to look at this. However, I come back to what I said, which is that if the climate change plan itself has to be much clearer on reductions and timelines, the section 36 report

has to be as clear as well. If it is about catching up on the reductions that have been missed, we need to be clear about how we will do that.

Mark Ruskell: Okay. If no one has any other thoughts, I will hand back to the convener.

The Convener: Just before I go to the final questions, I thank Mike Robinson for mentioning ARIOB and agriculture, because it means that I have to remind members of my entry in the register of members’ interests as part of a family farming partnership in Moray that gets subsidies. I want to just put that on the record. I point out that I took no part in that particular conversation, and I am very happy to refer members to the entry in the register of interests if they want to take a full look at what is involved.

Jackie, you have the next question.

Jackie Dunbar: Thank you, convener, and good morning. The financial memorandum states that the bill will have “no significant cost implications”. Do you in general agree with that, or do you think that it will have?

Thomas, you caught my eye.

Dr Muinzer: I would broadly agree with that. There will be significant budgetary strains in operationalising the amended framework, but looking narrowly at the terms of the bill, I think that the financial memorandum is correct.

Mike Robinson: Within the context of the bill, it feels as if it will not have such implications. I do not know whether you are alluding to the commitment to action, which will have a consequent cost, but I would restate that the most significant cost arises from our not doing anything, and if we keep not looking at that issue very carefully. For example, one in five homes in the UK are at risk of flooding, and the level of risk that we are prepared to take on board as a result of not dealing with that matter is only going to get higher and higher. If you are talking about the indirect costs, though, I would say that the situation is potentially positive.

Jackie Dunbar: As no one else has indicated that they wish to answer, I will go on to my next question.

Each CCP must include statements on how it accounts for climate justice and just transition principles. What is the bill’s potential impact on climate justice and just transition, and how might the Government respond to that?

Thomas, you were looking at me again.

Dr Muinzer: Unless I am missing something, it seems to sustain the tradition instituted under the amendments made by the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, which built just transition principles into the

legislation. As I recall, the legal language was quite soft, as it was all about having regard to just transition principles and so forth. The proposed amendments that we are discussing are, in effect, embedding that approach in the CCP documents and reporting, which is a positive thing. There might be an opportunity to step up the approach and make it more robust, but it is at least cognisant of what is in the framework and is trying to import it into the CCP process. Frankly, I think that that puts the legislation some way ahead of the national approach.

Mike Robinson: I would simply add that the more you look into the consequences of climate change, the more you see that it absolutely is a justice issue, not just internationally but domestically. After all, poorer people are going to be impacted more, given the nature of the jobs that they carry out and all sorts of other issues. A very good book called “Slow Burn: the Hidden Costs of a Warming World” by Robert Jisung Park tries to look at the economic impacts of climate, and what comes out of that more than anything else is the sense of injustice and inequality that will arise, if we are not careful. Only by tackling this issue can we help to mitigate the situation, and it will become an increasingly important part of running a just society, which is something that I think we would thoroughly applaud being embedded.

Jackie Dunbar: How can the Government respond to that impact? How can it have a positive effect on the situation?

Mike Robinson: The issue impacts everything from education to housing to green space availability and all sorts of other things in between. It is going to come down to some form of redistribution.

Jackie Dunbar: So is it the golden thread that goes through everything? Is that what you are saying? I do not want to put words in your mouth.

Mike Robinson: It is absolutely fundamental to this issue.

Jackie Dunbar: I do not see anyone else indicating that they want to come in, convener, so I will hand back to you.

The Convener: Catherine, did you want to come in on that?

Catherine Higham: It is really important that the legislation says that the principles of just transition must be complied with, but, as we know, another really important piece of all this is communicating what that means. That is particularly pertinent for the climate change plan. If there are measures proposed in the climate change plan that affect how people live their lives, keep their homes, drive

their cars and so on—which, inevitably, there should be—that is really important.

We have learned from the experience of some other countries in Europe that those measures need to be communicated really effectively. The way in which any regressive impacts on poorer households will be mitigated also needs to be communicated really effectively. For example, in Germany, an ambitious policy programme on home heating was met with a huge backlash, in part because of a failure in communication. There could be some clarification around what it means to actually consider just transition principles and then also, importantly, around communicating those.

The Convener: Thank you, Catherine. I think that the point about the need for better communications came out of the citizens panel that helped us with our deliberations.

Monica Lennon: This question is inspired by Jackie Dunbar’s questions. The Parliament expected that other legislation would be introduced that would give effect to or would incorporate the right to a healthy environment. We thought that that was going to come through a human rights bill. However, that is not in the programme for government and I am not sure whether that will now happen at all in this parliamentary session.

Given that we have heard a lot today about the importance of action and sustaining ambition and intent, does it make the job of Government and society harder if we are not going to give people the right to expect and enjoy a clean, healthy, sustainable environment? We have also heard about the importance of communication with the public. Does that create a mixed message about whether that right is still important? Perhaps Mike Robinson could say something first, but if others have a view, I would be interested to hear it as well.

The Convener: I think that that is stretching it in relation to the extent of the bill, but the panel members can come in very briefly if they want to—I am just conscious of time.

Mike Robinson: To answer briefly, we need to move away from one-dimensional, short-term financial decision making and see the bigger picture. Therefore, it feels as though having recognition for nature and other things in this space is absolutely critical.

Also, I totally agree that good communication is critical, but we keep getting stuck on trying to mitigate the negatives. There is a project that I was looking at in my area where there is the potential, by moving energy generation off grid, to provide free energy to every poor person in the city. There are some really big, interesting

opportunities out there if we do a little bit more joined-up thinking around some of this space, so I would thoroughly encourage broader decision-making principles.

Dr Muinzer: Briefly, the right to a healthy environment may be able to back up the bill in some way—that would need to be examined. The question about the environmental right goes to your points around communication, actually. Lawyers understand that we have a right to a healthy environment in the UK because we have subscribed to the European convention on human rights and applied that under the Human Rights Act 1998, and the European Court of Justice has developed articles 2 and 8, which on the face of it have nothing to do with the environment—they are on the right to life and the right to family life—to incorporate environmental rights.

That is extremely convoluted. It makes sense to me as a lawyer. If I explained it to my mother, her eyes would probably glaze over, as she does not have a legal background. When you are talking about communication and engaging the public, the cut-through of saying that we have a right to a healthy environment in Scotland would be a wonderful thing. It is unfortunate that we lost that opportunity. One would need to examine how it would impact the bill directly, but there is a good point around public engagement there—perhaps a missed opportunity, I think.

Monica Lennon: Okay, thank you.

The Convener: Thank you. That brings us to the end of the session. First, I apologise for asking you to attend at short notice. I also apologise for keeping you waiting and for the length of this evidence session, but I am extremely grateful—as we all are—for the effort that you have made today through your contributions to help us with our deliberations, so thank you very much.

I will briefly suspend the meeting to allow for a changeover of witnesses. Thank you.

10:59

Meeting suspended.

11:07

On resuming—

The Convener: We resume our consideration of the Climate Change (Emissions Reduction Targets) (Scotland) Bill. I am pleased to welcome from the Scottish Government Gillian Martin, the acting Cabinet Secretary for Net Zero and Energy; Philip Raines, deputy director of the domestic climate change division; Amy Hill, climate change legislation team leader; and Norman Munro, a Scottish Government solicitor.

I am sorry that we kept you waiting slightly, cabinet secretary. That is because evidence from the previous panel of witnesses overran. I think that you want to make some brief opening remarks.

The Acting Cabinet Secretary for Net Zero and Energy (Gillian Martin): I will briefly give a bit of context on the reasons why we have introduced the bill. Thank you for the opportunity to speak to that.

Our independent experts on the Climate Change Committee have—sadly—determined that the 2030 interim target is beyond what is achievable. The Parliament's 2019 targets were extremely ambitious, which I do not regret, because they set out the scale of the challenge that has prompted action in so many areas. However, as the CCC has said to us all, the targets have proved to be unreachable, and we must temper our aspiration with credibility and, crucially, deliverability.

Ramping up action alone will not be enough. The scale of societal changes that would be needed for a 75 per cent reduction in our emissions by 2030 would not be fair or just on people in our society; they would cause serious impacts across communities and hit our people exceptionally hard. Therefore, we cannot achieve them.

The bill will enable us to set a credible route to 2045. It is narrow in scope and it will do three things—establish a carbon budget approach to our targets, enable carbon budgets to be set by secondary legislation and change the timing of the climate change plan to reflect carbon budgets. It will maintain annual reporting and will not allow a carryover of emissions.

My engagement with stakeholders and party spokespeople, and evidence to the committee, acknowledges that the bill is a necessary stepping stone. Scotland must have deliverable targets so that we can introduce a climate change plan as soon as possible and move the focus from target setting to delivery. I want to work with the committee and the wider Parliament to fix our targets approach in order to set fair and credible targets and produce a climate change plan that we can all be involved in and get behind.

With your approval, convener, I will draw attention to a letter that I sent the committee yesterday regarding some errors in our annual targets and the use of a statistic in the just-published section 36 report, which I was made aware of very recently. The letter sets out the circumstances and implications of the errors and the swift actions that we are taking to rectify them.

I intend to speak to that far more fully later this week in my statement to the Parliament on the

section 36 report. I will issue the necessary corrections to the section 36 report as soon as possible. I am, of course, happy to answer any questions on that.

The Convener: Thank you, cabinet secretary. I confirm that that letter was sent from your office at approximately 8 o'clock last night and was distributed to the committee at 7.30 this morning prior to the meeting. There might well be questions, but I have to say that that is quite a tight timescale to look at the contents of the letter, which I am not sure that I fully understand. However, I am sure that members will drill into it.

Last summer, we knew that the climate change targets would not be achievable. On 17 April this year, the then cabinet secretary indicated that a new climate change bill would be introduced; it was referred to again on 28 May in the Parliament and it was introduced on 5 September, with very little time for scrutiny. Did you ever consider producing a narrower bill to delay the climate change plan—it is the driver behind all this, because it has to be produced in November—so that the Parliament could have proper time to consider the bill?

Gillian Martin: I will tell you why I did not consider that to be the best approach. If I introduced a bill that did not put in place a new target structure, we would have a void—the previous targets from the 2019 act are not achievable, so we would have nothing in place, and building a climate change plan out of that would not be possible.

We require the bill, which I hope that the Parliament will agree to, in order to have five-year carbon budgets and to set in train this different approach, on which we will get advice from the Climate Change Committee. Once the bill has been passed, the Climate Change Committee will put together its advice to us; it will give us the advice on the targets in spring next year; and the systems that we must have in order for us to take the advice, put it in train and set the targets in secondary legislation will be in place.

If you are suggesting that we should have had legislation just to change the timing of the climate change plan, I note that it would be difficult to put a new climate change plan in place without advice from the CCC, because we would not have such structures in place. If that was ever considered, it was off the table quite quickly.

As acting cabinet secretary, I came into this with the view that we were going to introduce a narrow bill that would put the structures in place, as well as the three things that I mentioned in my opening statement. The bill will allow us to have five-year carbon budgeting and allow the climate change plan to follow that, once we have set our targets in

secondary legislation. That is the swiftest approach to getting in place a credible climate change plan in which the action will be described.

The Convener: I almost follow that. My point is that we were told in April that the bill was ready and, despite the repeated requests that I made on the committee's behalf in May, June, July, August and early September to get sight of the bill, the bill was not introduced until 5 September, which means that we have to work on an expedited programme and will not have full scrutiny.

11:15

I asked the question because I am a great believer that Parliament should be given time to consider matters slowly, rather than at pace and without having a chance to understand them fully. Even if you disagree with that, cabinet secretary, the Climate Change Committee will not produce the required information until early next year, which means that you will produce your carbon budgets as soon as practically possible thereafter. We could have done the process slightly more slowly, to ensure that all the parliamentary procedures and standing orders on timings between stages 1, 2 and 3 and hearing evidence could have been met. I am disappointed that we have not done so, but I will leave things there. I understand your response.

I turn to your use of subordinate legislation to set budget levels, as opposed to putting them in the bill. I understand that approach slightly, but it comes down to the fact that, unless you go for the affirmative procedure, the committee will not have time to consider the carbon budgets. The alternative approach, of going through the normal subordinate legislation process, would give us only a short time to consider them. I think that the Government's approach is perhaps wrong. Would you consider using the affirmative procedure for setting carbon budgets, to allow the committee time to consider them fully?

Gillian Martin: The committee will have its own views on the time that is needed to scrutinise secondary legislation and what that process involves. I am happy to listen to those views, which the committee will put to me in its stage 1 report. Convener, I ask you to remember that I was in your position during the previous parliamentary session, so I understand that the committee wants to take full evidence on everything.

The secondary legislation approach is tied up with the Government's response to the Climate Change Committee's advice to us. Our response will consider the targets that we will set in secondary legislation. It will not be about the action that is required in order to meet them,

because they are informing the climate change plan. Although we will be working on that plan throughout the whole process, we already have a good idea of the actions that we will need to take. As you said, we have had stretching targets in the past, so there will not be any ramping down of actions; instead, they will be ramped up.

As for the time that the committee would like to have, it is important to look at the full picture. The initial consideration and written advice by the independent experts at the CCC will come to us, and we will consider that. We will work on a draft plan, which will be formally laid before Parliament. There will be many areas for scrutiny in all the elements that will inform the climate change plan. We want to get the plan to the committee as soon as possible, so that it will have the minimum scrutiny period of 120 days. I also want to get it to you as quickly as I can so that the work will not go into the next parliamentary year, if at all possible.

The Climate Change Committee has said that it will give us advice in the spring. I hope that, if the bill is passed in the timeline that we would like, that will give the CCC more time. We might then get its advice earlier than planned, which would allow this committee more time to explore what it means for our targets.

I am willing to do everything that I can to give the committee more time, if it does not delay our climate change plan being put in front of members. I have been watching all the committee's sessions with experts. Some of the evidence that you have taken, and aspects of your questioning, have been in the space of the climate change plan. The bill's narrow scope is about the procedures and processes that are needed to propose the budgets. The real meat is in the discussion about actions that will be taken in the climate change plan, which is where the committee will need most time for scrutiny. That is very much in my mind.

I understand the committee's slight irritation about how quickly we are asking it to do the work, but we had a general election. We also have a deadline, after which we would not be meeting the expectations that were on us under the previous legislation.

The process must be done within the given time, but I want to give the committee as much time as possible, when it really matters, by getting the climate change plan to you as early as possible. That has informed everything that we are doing and how we are doing it.

The Convener: I think that the committee had correspondence from the DPLR Committee that said that a super-affirmative procedure might be appropriate, so two committees have said that, which I am sure that you will reflect on.

Monica Lennon: I am pleased to hear the cabinet secretary say that she wants this committee to have more time—as much time as possible—to scrutinise the action plan. With that in mind, is she willing to share with the committee the work that has been progressed so far on the climate change plan, so that we can have as much time as possible to work on that?

Gillian Martin: At the moment, we are bound to the previous climate change plan, which is in action. I am not going to put anything partial in the public domain, because that is a really tricky situation to put yourself in. A lot of people are relying on a credible climate change plan that is informed by CCC advice, our different approaches to the various emissions envelopes that we want to put forward and the new five-year carbon budgeting process. If you were in my position, you would probably feel the same. I do not want to put anything in the public domain that is partial or unfinished or has not been deliberated on. Obviously, I work with all my Cabinet colleagues on this, because it is not my portfolio that makes all the delivery commitments to reduce emissions—it is a cross-Government approach. If I were to put anything out there that was not fully informed by the CCC advice or the secondary legislation that we will bring forward, it would be partial and probably subject to a great deal of change, so I will not do that.

However, I want to leave you with the fact that the work on the climate change plan never stops. It is an iterative process. The climate change plan is a living document that is being worked on by me, my officials and my colleagues all the time, as we look at potential areas for getting the most emissions reductions possible in a fair and just way with the available budget. That process never stops. Obviously, the key moment is aligning it with the advice from the CCC, which we analyse. I will not put forward a climate change plan in draft form to the committee or wider stakeholders until we have run through all that advice and discussed with Cabinet colleagues what that means for their individual portfolios and all the different sectors in society.

Monica Lennon: I will come back in briefly. The cabinet secretary's opening remarks were about wanting to work openly with the Parliament and with this committee in particular. Given the timescales that we all have to work to, there needs to be a degree of trust, so it is disappointing to hear that the Government is not willing to share that living document with the committee. We see a lot of private papers, and that information is dealt with appropriately. For clarity, cabinet secretary, are you saying that you are not willing to share any of the work that has been done to date? What this committee—

Gillian Martin: Ms Lennon, maybe I can take that point away, because whether I am able to write to the committee to tell you what work has been done is a different question. It is a different ask for me to give the committee a draft of a draft of a draft plan, and that is what I was really talking about. However, I am perfectly willing, with my officials, to look at all the work that has been done leading up to the climate change plan. It is perfectly acceptable for me to say to the committee what day-to-day work has been done on that. However, I will not give the committee a draft of a draft of a draft plan. I do not think that any Government would do that.

Monica Lennon: I appreciate that. I cannot speak for the whole committee, but I would feel more reassured if I had a better understanding of what that work looks like. You have said that the work never stops but, on our side of the table, we do not know what that involves, day to day, how much resource and time is going into that and what progress is being made.

Gillian Martin: I can certainly do that, because that is a different question.

Monica Lennon: Thank you.

Gillian Martin: I am happy to do that. I maybe did not get your question in the first place—I thought that you were looking for the document to be put in front of you.

The Convener: I am sure that we would be happy to accept that at the same time. There are some supplementary questions.

Bob Doris: I have a follow-up line of questioning on the framework nature of the bill and the setting of five-year carbon budgets by statutory instrument. I understand that the Government has landed roughly on the affirmative procedure, but I have been asking questions about whether the super-affirmative procedure would be appropriate because it would allow draft regulations to be lodged and considered by the Parliament and wider civic Scotland such as NGOs. It would also allow the Government to take a final position and lodge that with the Parliament. I am sympathetic to that, but it would take a one-and-a-half-month parliamentary timescale to around five months. When it arrived at the level of parliamentary scrutiny, was that timescale an issue for the Government? Five months rather than one and a half months to pass a statutory instrument, when we want the climate change plan to be published as quickly as possible, might be a barrier. What are your thoughts on that?

Gillian Martin: My thoughts on that are exactly the same as those that you have just articulated. All Governments are criticised for not taking action quickly enough and there is a danger of spending too much time on the mechanisms and the

process for the mechanisms at the expense of deliberation on the action plan. If the process is extended any longer, I worry that we could be looking at not putting a climate change plan to the committee before summer. I want to be able to give it to the committee before summer. A lot of that will depend on the CCC's advice. If it comes in late spring, that might be more difficult, but that is my intention.

If we start to extend the processes to look at the mechanisms that are required for the measurement of where we are getting to with the carbon budgets at the expense of the scrutiny that is required for the climate change plan, I suggest that that is not what the environmental non-governmental organisations would like. I did not see the whole of your earlier session, but I certainly heard representatives from the ENGOS saying that the climate change plan was where they want to concentrate their scrutiny and that they wanted to see it coming forward as soon as possible.

It is deeply regrettable to me that we cannot put a climate change plan in place in November, because the targets are far too stretching. My job—and I hope that the Parliament sees it as part of its job—is to do what I can to make sure that the climate change plan is given enough air and oxygen through parliamentary scrutiny. After all, Mr Doris, we are reaching the end of a parliamentary session and the worst thing that could possibly happen is that it gets put back to next year and does not have enough time ahead of a Scottish Parliament election to be put in place.

There is a reason why we have a Minister for Climate Action—let us put it that way—because it is all about action. The climate change plan is where the action is going to sit. That is where I will be able to reach out to my colleagues, and they will get behind the action that is required in their portfolios. It is also not just about Government action. It is about sector action, local government action and whole-society action. People are waiting for the climate change plan, and I do not want to do anything to delay it any further.

Bob Doris: Thank you, cabinet secretary. We heard some of that in the earlier evidence session. There is lots to follow up on, but I believe that my colleagues will pick up on that in due course, convener.

The Convener: Thank you.

Mark Ruskell: I am wondering where the big mystery is with the climate change plan. The UK Climate Change Committee has given the Government advice for a number of years. It has set out what the pathway to 2045 looks like. You have had annual advice from the UK CCC. What it will present next spring will not focus primarily on

the next climate change plan but on the plans to follow on the route to 2045. What is the gap? What is the big mystery? Surely the Government must have already mapped out the pathway towards the next target and the next budget. It will have a clear idea about what actions are needed in particular sectors, from transport to agriculture to energy. As you say, none of that is a mystery.

Given that this is a living document—a living piece of work in Government—why can it not be shared with the committee ahead of our effectively changing the legislation, ditching the 2030 and 2040 targets and moving to a completely new system of budget setting? Why can that not be revealed? What is the big mystery here?

11:30

Gillian Martin: The bill is about the three actions that we will take to change the system to account for the effectiveness of the actions in getting us to net zero by 2045. That is why it is a narrow bill—it is about the process and about adopting what the CCC has advised us to adopt in line with Wales, the UK Government and Northern Ireland, which have been using five-year carbon budgeting for some time now. We are now going to be in line with them as far as the process is concerned.

As for having a narrow bill, I understand why a committee such as this one, which I know very well, would want to get into the weeds of what is going to be in the climate change plan. However, the process that we want to go through is that, through the bill, we get the mechanisms in place to have five-year carbon budgeting. We also want a credible climate change plan that dovetails with the CCC's advice, now that we are adopting that system of five-year carbon budgeting rather than the targets in the 2019 act.

I think that we are all pretty familiar with the action that needs to be taken to get to net zero by 2045, not just in the devolved space but in the reserved space, and not just in the Government space but in the societal space, too. As far as the climate change plan is concerned, my officials are constantly looking at certain areas where we can push things and certain areas where there are innovations. My Government colleagues are also looking at areas in their portfolios where they can push things and get as much carbon reduction as possible. The programme for government has also—

Mark Ruskell: So why not just reveal that?

Gillian Martin: We are going to reveal it so that it ties in with the CCC's advice and advice on the five-year carbon budgeting approach, which is different from the approach that is taken in the 2019 act.

Mark Ruskell: But you already said in your opening statement that, in order to meet the 2030 target, you would have had to adopt some policies that were neither fair nor just. Therefore, you have already made decisions about what you, as a Government, consider to be beyond the pale and undeliverable. Now that those have been junked and are no longer part of your thinking on the climate change plan, you must have a pretty tight set of actions that you think are deliverable and which you could share with the committee now, so that we can assess whether they are appropriate.

Gillian Martin: I understand why you would want to see that. I hope that, as I said to Monica Lennon, I will be able to give you a much better indication of the actual work that has been done on the climate change plan. However, Mr Ruskell, I am going to put together a climate change plan that will work with the five-year carbon budgeting approach outlined in the bill.

The bill is about the mechanisms. I will not be putting an unfinished climate change plan in front of anyone until we have the CCC's advice on what such a plan and its associated targets have to look like, and I will not be putting in front of a committee a climate change plan that has not yet gone through the Cabinet. That would not be the process, and it is not how these things are done. There are probably enough people in here who have already been through the process involved in previous climate change plans and who know how these things are done.

I understand that you want to see the detail of a climate change plan. That is why I am bringing forward the bill and why I would prefer that the bill was passed—so that we can get on with waiting for the CCC's advice while working on the climate change plan that we know we will have to produce. That will ensure that, when you as a committee and as a Parliament get it, you will have as much time to scrutinise it as it deserves.

Michael Matheson: I want to come on to the issue of five-year carbon budgeting, but before I do so, it would be helpful to get some clarification on the climate change plan. Is my understanding correct that the climate change plan that will be published by the Government will be the final climate change plan and that there will be no consultation or engagement? Or, after you have received advice from the CCC, will there be an external-to-Government engagement programme in order to develop a draft climate change plan that will be shared publicly?

Gillian Martin: The process will be the second one that you outlined. There will be an extensive period of consultation on the draft climate change plan. The draft climate change plan, which will be informed by the CCC advice, will be in line with the five-year carbon budget process and procedures

that we want to adopt in this bill. It is my intention for that to go out as a draft for consultation as quickly as possible, and to give the committee time to conduct its consultation processes.

Mr Matheson will be aware that previous climate change plans have gone out for extensive consultation, because that informs the public discourse around what needs to happen in that area. There are areas in the climate change plan where people might ask us to go further. There are other areas where the sector might say that the draft climate change plan does not align with a just transition. The Just Transition Commission and the Parliament and all its stakeholders will want to look at the draft climate change plan. Nothing in the process will squeeze that consultation in any way. We have to ensure that the plan has oxygen and consultation around it, in the same way that we have done with successive climate change plans.

Michael Matheson: That is helpful, because my impression was that the published climate change plan would be a final document.

Gillian Martin: No.

Michael Matheson: However, there will be an external consultation exercise on a draft climate change plan, which the committee will be able to engage with.

Gillian Martin: Yes.

Michael Matheson: The main point that I want to come to is on five-year carbon budgeting. The committee has had written and oral evidence about the pros and cons of moving to five-year carbon budgets. One of the concerns around the five-year carbon budget process is the risk that we could go through a five-year period before we come to a point where we realise that we are not making sufficient progress and have failed to achieve what we intended to in that five-year period, because we have moved away from annual targets.

Some other jurisdictions have put in place a mechanism that allows on-going scrutiny and accountability around progress that has been made during the five-year period of the carbon budget. What are the Scottish Government's plans to put in place, with the carbon budgets, a process that allows us to have a clear line of sight on the progress that has been made in individual policy areas? Once the carbon budget is in place, how do you intend to facilitate that on an on-going basis?

Gillian Martin: We are proposing a couple of mechanisms. First, as I said in my opening remarks, we will still have annual reporting, which will be important. Instead of annual targets, we will

have annual reporting on the progress towards the five-year carbon budget ambition.

The bill will retain our current rhythm of reporting on greenhouse gas emissions and on where we are with the climate change plan and how that has been embedded.

Reports on the climate change plan will be unchanged. When we were taking forward the bill, we were clear that we wanted that aspect to be retained completely as it was in the 2009 and 2019 legislation. Under the 2009 act, ministers are required, each year, to lay before the Scottish Parliament

“a report on each substantive chapter”

of the most recent CCP.

We are also required to lay in Parliament a report on emissions reduction every year, indicating the percentage by which the net Scottish emissions are lower than the baseline. That has happened every year, and it will continue to happen every year—nothing in the bill will change any of that.

Your point about how important that is is not lost on me at all. A five-year carbon budget is not about waiting five years before reporting on it and then saying, “Oh, we have not managed to make progress on that.” Work is also taking place to embed those actions more deeply in every portfolio in Government.

I was listening to your evidence when it was suggested that an approach would be to report on key performance indicators in the climate change plan. I am open to considering anything. Work is under way on our having sectoral envelopes in the climate change plan. Obviously, Ms McAllan or I will be reporting on them every year, once the finalised climate change plan, as consulted on, is available.

That checking in on how we are doing every year, with Parliament scrutinising how we are doing annually, and being able to ask me or Ms McAllan questions on that, is fundamentally important. Perhaps changes will need to be made; things might need to be accelerated or there might be blockers to things happening. Conversely, achievements might have been made in certain sectors due to innovation that we did not anticipate. Whatever the position, we are able to report on which sectors are doing particularly well and which ones perhaps need some other assistance and support.

Michael Matheson: That is helpful. Given that carbon budgeting will require greater buy-in from individual portfolios and greater budget allocations in order to meet their sectoral responsibility, do you envisage a process in the annual reporting that will allow us to see the progress that has been

made in individual portfolios against the target that they should be looking to achieve?

Gillian Martin: Yes. I will give you more detail on what has been done. A joint Scottish Government and Scottish Parliament review of budget matters pertaining to the climate reported at the end of last year. There were three strands of work in that report, which Scottish Government officials are now taking forward. That speaks to what I was talking about in relation to wider cross-portfolio work.

The first proposal is to include a dedicated climate annex in the Scottish budget suite of documents. That action was discharged during the 2023-24 budget cycle, and such an annex will be included in all future years. Every cabinet secretary has to report on what they are doing in their budget to reduce emissions in their sector. As Mr Matheson knows, climate change action does not sit just in my portfolio—it sits in the transport portfolio, the housing portfolio and the agriculture and land use portfolios, too.

There is work to develop an enhanced taxonomy methodology for capital and resource budget spend, and on presenting a supporting document to the 2024-25 Scottish budget. There is also work on developing a net zero assessment for policy making, and that is in the pilot stage. I want that work to accelerate, with an intention to roll that out across Government from the beginning of 2025.

I often reflect that, when I was the convener of the committee's predecessor, the Government had one cabinet secretary, Roseanna Cunningham, who did not even have a junior minister, in front of us talking about the 2019 climate change legislation. One criticism that was made, and one piece of advice that was given to the Government off the back of that, was that our approach to climate change needed to be mainstreamed across the Government.

I have seen a sea change. It is quite apparent that responsibility has been taken for climate change across all portfolios and departments of the Government, but you cannot take action without having the funding behind that in the budget.

On the integrated aspect of getting to net zero, the fact that, since the First Minister came into post, net zero has remained one of his core missions shows you how embedded that is. However, there is still work to be done, particularly with regard to the budget.

11:45

The Convener: Cabinet secretary, you have slightly confused me, and I encourage you to write

to the committee after the meeting. You mentioned the Climate Change Committee producing in spring the information that you will require to produce your carbon budgets, and you said that you would have the climate change plan in force by the summer. Spring ends in June, which is just before the Parliament goes into recess. We are then away for the recess, and summer will be gone almost before we have had a chance to look at the climate change plan.

Gillian Martin: Can I clarify that?

The Convener: Yes. It would be helpful if you clarified the timescale, because it seems to be compressed. It seems that, this time next year, we will be in exactly the same position as this year.

Gillian Martin: If the bill is passed and if we have royal assent by November, the Climate Change Committee will be asked for its advice on the basis that we will have a five-year carbon budget process. I think that the committee had representatives of the Climate Change Committee in front of it last week. As it stands, that committee is saying to us that it will be able to get that advice to us in spring. We have the same question as you, namely, when in spring—in what month? Obviously, I want the advice as early as possible, but it must be the right advice.

Once we get the advice, we will analyse it and put forward the secondary legislation as quickly as possible, to get it through Parliament. At the same time, as I have explained, we will be working on the draft climate change plan, which we want to get out to the committee, stakeholders and the public as quickly as possible. If the advice from the CCC comes in, say, April, I feel confident—without making Mr Raines here too nervous—that we can publish a draft climate change plan before the summer recess. That is my ambition.

If the CCC does not give us that advice until June, the situation will be different. You said that spring ends in June; I thought that that was summer. However, that is all the more reason for getting the process in place. As soon as we get the bill through and everybody, including the CCC, knows that we are moving to five-year carbon budgets, the CCC can get working on that advice for us. I hope that we will get that advice early in spring, which would allow this committee and our stakeholders to have a draft climate change plan to chew over and deliberate on in time for coming back from recess in September.

The Convener: There would then be 120 days for Parliament to consider the plan. Is that part of that process?

Gillian Martin: Yes—absolutely.

The Convener: Technically, if all those days were used, we would be talking about March 2026. Is that right?

Gillian Martin: That would be a matter for the committee. The committee has its processes for the scrutiny that it wants to carry out—

The Convener: Well, the Parliament has its processes.

Gillian Martin: Yes. The committee is part of the Parliament, and the committee has its own process. However, I believe that the process for scrutiny of the climate change plan provides a minimum of 120 days. I hope that you appreciate that I want to get the plan to you as soon as possible.

The Convener: I am trying to clarify the situation, because it seems that we need a lot of fair wind to get the climate change plan passed before—

Gillian Martin: We need the CCC to give us advice—

The Convener: —Parliament goes into election recess.

Gillian Martin: Yes—sure.

Douglas Lumsden: I want to clarify the position with regard to the CCC. Is it not already working on a report for delivery in spring for the whole UK?

Gillian Martin: The CCC provides advice to the UK, Welsh, Northern Irish and Scottish Governments separately. We look with a keen eye at the advice that it gives the UK Government because, as everybody here knows, what happens in the UK with regard to its ambitions and getting to net zero by 2050 very much impacts on our ambitions of reaching net zero by 2045.

I might turn to my officials on when the UK Government is expecting its advice from the CCC. I do not have that in the front of my brain, Mr Lumsden, because I am concentrating on what we have to do. We will look at the advice that it gives the UK Government, which, of course, will inform aspects of our own thinking on these matters.

Since the new UK Government came in, I have been working closely with it on our shared ambition for net zero. I am pleased to say that we are in a space where the UK Government seems to want to accelerate action as much as we do. To take an example in a reserved area, the UK Government might decide to do something about the gas grid, such as reducing the amount of fossil fuel, in the form of natural gas, that is in there and replacing it with hydrogen. It has set out its ambition for a level of 20 per cent, which would make a big difference to Scotland's approach to such emissions, so we would factor that in here, too.

We will be working closely among the four Governments—probably more so than ever before—on our shared ambitions on getting to net zero. I have said to Ed Miliband, and he has said to me, that as far as net zero is concerned, we will try to park party politics at the door. Our approach will be about action, co-operation, finding where we can work together on reducing emissions, and making right and fair judgments on where we can act.

In the devolved space, there will be no secrets from me about what we want to do. My climate change draft plan will go to our counterparts in Wales, Northern Ireland and the UK Government so that they can see what we are doing. During that process, I will meet cabinet secretaries and secretaries of state whose portfolios include climate change matters. If there are areas in which the UK Government says that it can go faster, and it challenges us to do the same, I will want to have those conversations.

Douglas Lumsden: My point is about how this is going to work. The Climate Change Committee will produce a report in the spring, and it is working on that already. Earlier, you seemed to suggest that the committee's delaying things here would, in turn, delay that report. However, as I understand it, that report is coming out anyway—the CCC is already working on it. If this committee wanted to take more evidence, and if that were to delay matters by a month, that would not delay the CCC's report, would it? Hence, it would not delay the climate change plan that we are expecting.

Gillian Martin: I have misunderstood you. The CCC says that it will give Governments advice in the spring. The advice that it would ordinarily have given us, per the 2019 act, would have taken a different shape. It would have been recommending targets for a 75 per cent reduction by 2030, a 90 per cent reduction by 2040 and achieving net zero by 2045—the advice would have been on that mechanism.

However, the advice that we are waiting for the CCC to give us, if the bill is passed and if we introduce carbon budgeting, will relate to the different mechanism of carbon budgeting. The CCC knows where we want to go. It has seen the bill and is in support of it. It has recommended that we go to five-year carbon budgeting, so there is certainly no pushback from it in that regard. It is pleased that we are taking this action and changing our processes. It just means that the advice that we get will dovetail into that five-year carbon budgeting process.

I am not saying that our changing anything here will delay that advice. However, the reason why I cannot give the convener and the committee a definitive date for the draft climate change plan is that I do not know—neither does the UK

Government or the Welsh Government—exactly when in the spring we will get the advice, because the CCC has not yet said when it will be. The sooner the bill can be passed and royal assent given, the sooner we can say that the Scottish Government is now working on a five-year carbon budget mechanism, and the sooner the CCC can give us its updated advice, once we have gone to a different system.

Douglas Lumsden: Are we delaying the report, or is the bill delaying it?

Gillian Martin: I would not think so. However, if we do not change the mechanism in law to five-year carbon budgeting, the CCC will not know what advice to give us.

Douglas Lumsden: I move to the next question. Last week, the CCC said that it had recommended that you should align with the UK carbon budget periods. However, the Scottish Government is not planning to do that. What is your reasoning?

Gillian Martin: The reason is simple. If we were to align with the timing of the UK Government's carbon budget, we would have to wait until—I will check with Philip Raines—2028. We want to go as quickly as possible. We do not want any void in setting out our plans for the targets or for setting out our carbon budget.

Coincidentally, if we move at the pace that we have intimated to you, we will be in line with the Welsh Government. The Welsh Government is not in line with the UK Government.

Fundamentally, we have to work back from the 2045 target. The UK Government has set a 2050 net zero target. We went further because we have been told many times that we have more capacity for the sequestration of carbon—for example, in peatlands and in having more room for planting woodland. We could go a lot faster and reach net zero by 2045. Working back from 2045 has informed the starting point of our carbon budget. The UK Government is working back from 2050.

I do not think that aligning the timescales would make any material difference because, as I said, work on all the actions that all the Governments are taking is happening all the time anyway. We are working together to make sure that what Scotland does will help the UK to meet its 2050 target, and that what the UK does—if it takes the action that it says it will take, as I hope it will—will help us to meet our 2045 target. That is the real reason. I do not want this envelope—this carbon budget—to start in 2028, because that would be wasted time.

Douglas Lumsden: In the previous evidence session, we heard that Northern Ireland had a shorter first period—it is three years, I think—to

bring the countries into alignment. You could do that—you could go from 2025 to 2028, then go into a five-year cycle. Why have you discounted that?

Gillian Martin: I want a five-year carbon budget. I want us to set a trajectory. I want carbon budgets that show certainty in where we are going, as quickly as possible. I am not sure whether Northern Ireland made its decision before the Assembly was reconvened.

That is the reasoning. The Welsh Government will be aligned with us. It is not the timing of it—aligning with the UK Government—that will get us to net zero by 2045, but the action that is associated with the approach.

Monica Lennon: To get it on the record, given what we have just heard and what we know from previous recommendations, is it accurate to say that the Scottish Government does not always accept the advice of the UK Climate Change Committee?

Gillian Martin: Obviously—because I would not be sat here putting this bill forward if we had said that we could not go for a 75 per cent reduction by 2030. However, as Ms Lennon will remember, it was during the process for what is now the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 that Roseanna Cunningham put forward a draft for a 65 per cent reduction by 2030, and Parliament voted in favour of a 75 per cent reduction. Roseanna Cunningham was very clear at the time. She said that the Parliament voted for a 75 per cent reduction by 2030 and that we had to recognise that action to get us there would have to follow. The target setting is not enough. That was a very challenging target, and the Committee on Climate Change at the time said to us that it was not in line with its advice. It did not think that it was achievable, and it thought that it was extremely challenging.

In this country and in the wider UK, we see not meeting a target as failure. However, the way that I like to look at it is that, if we do not set challenging targets that change our culture, change our mindset and show that we have bold ambition, action may not accelerate as fast as it could.

12:00

If you are asking whether I regret the fact that Parliament moved away from the advice that we were given by the Climate Change Committee, which said that we should have stuck to the 65 per cent reduction that Roseanna Cunningham put forward at the time, the answer is both yes and no.

We would certainly be nearer to a 65 per cent reduction than a 75 per cent one, but we should

ask whether the target accelerated our actions and whether net zero is now far more deeply embedded across Government, local government and society. It has embedded itself in the Agriculture and Rural Communities (Scotland) Bill and in national planning framework 4. It is embedded across policy making, although the CCC gives advice on targets and not on policy.

In summary, we did not take that advice in 2019; we went further.

Monica Lennon: Thank you for those interesting reflections, cabinet secretary. I asked the question to establish a fact, which we have done. I will not give my own opinion, but Douglas Lumsden suggested that the Government, for its own reasons, does not always accept advice from the Climate Change Committee.

We have just heard your hope that you will get advice from the CCC in early spring, but we know that that might come later. If there is slippage there, we will really be in trouble regarding building in a consultation period and getting a climate change plan approved before the end of this session of Parliament. Have you taken advice from your officials on another possibility, which would be to go a bit earlier and to publish a draft climate change plan before the CCC provides you with the full advice that you are expecting? Changes could be made later, in the light of any advice that comes.

I do not know what others think and I do not want to say that the CCC overemphasises things, because it is important and does provide valued advice. However, the CCC is not giving policy advice to the Government. I am worried that that quite technical process could lead to delay. Is that a consideration? Could you go a bit earlier? You do not have to wait to hear from the CCC in the spring.

Gillian Martin: Are you suggesting that we publish a draft climate change plan without any advice from the CCC?

Monica Lennon: I am asking whether you have considered doing that, based on the work that the Scottish Government has been doing. You say that that work does not stop, that it is on-going and that people are working hard. We know that there is discussion between the Scottish Government and the CCC. Have you considered the option of publishing a draft plan before the CCC's formal advice comes?

Gillian Martin: No, because the new climate change plan will result from the changes in carbon budgeting. That needs CCC advice, which we have always committed to having. I am not going to change that or turn it back to front.

Frankly, I am surprised that the idea of publishing a draft climate change plan without having CCC advice has even been mooted. I am not going to do that. The plan needs to be informed by CCC advice if it is to have credibility.

Monica Lennon: I am trying to say that the relationship between the Government and the CCC is on-going and is not something that happens only when reports land. There is on-going advice.

I have a final question on that point. If, for whatever reason, the CCC cannot give advice to this Government in spring or early summer, what does that mean in practice for the Government's ability to get a climate change plan approved by the end of this session of Parliament in March 2026?

Gillian Martin: I can only go on what the CCC has said, which is that it will give advice in the spring. I am sure the CCC knows that sooner is better and that the UK Government thinks that, too. It is waiting to see whether the bill is passed and whether it gives advice about a five-year carbon budget. If the bill is passed and gets royal assent in November, the CCC will refine its advice on the basis of our adopting the five-year carbon budget process.

The committee might want more clarity—correct me if I am wrong—on the timescales between getting the CCC advice and secondary legislation, and between the secondary legislation on the targets being passed and the climate change plan. I will go away and we will map that out. I keep coming back to the point that, if the CCC's advice comes to us at the time that we hope that it will—when it has indicated to us that it will—it is my ambition to have a draft climate change plan out before the summer recess.

I have highlighted some of the risks with splitting this—that is, having two bills, having a super-affirmative process and everything else. That is what potentially puts the timetable for the climate change plan back. We have looked at how we can get a credible and deliverable climate change plan out there as soon as possible, and this is how we will do so. We have a narrow bill that sets the carbon budgeting process mechanism and gets it in statute, and we have advice, secondary legislation on the targets and a draft climate change plan. I want that to happen as quickly as possible, so that the committee and wider Scotland have the time to look at the climate change plan, which is where all the policy discussion will take place and all the action points will be.

Monica Lennon: I am grateful for that offer to map the timescales. I have one more question, but Mark Ruskell might want to come in.

The Convener: Mark has a supplementary question on that issue. I reiterate Monica Lennon's point that we would appreciate the mapping of the timescales for next year so that we can build in the 40 days for the subordinate legislation and the 120-day period, so that we can see where it is going to go. That would be helpful.

Gillian Martin: Okay, we can do that.

Mark Ruskell: It is welcome that you are prepared to look at that again, cabinet secretary, because we seem to be in a chicken-and-egg situation. The UK CCC's clear advice at committee last week was that the draft plan needs to be available at the same time that you are considering a draft budget. Perhaps, with reflection, that was an issue in 2019. We did not have a sense of what a clear plan to get to the 2030 target looked like, but we were still having to set a 2030 target in this Parliament.

I would like a bit more clarity from you about how you see the draft plan working with the carbon budget, because, in an ideal world—this is what the CCC asked Government to do last week—you would bring the two things together. You would have what is achievable and have the necessary budget alongside that. Perhaps those are the two important things; that alignment is critical.

Gillian Martin: Let me take that away. Obviously, my officials and I will talk about the trajectory of the timescale. I do not think that we will have a climate change plan available at the same time as the secondary legislation; I just do not think that that is doable. However, we want to make it available as soon as possible after that point.

The Convener: Bob Doris has a question. I do not know whether yours or his comes first, Monica.

Monica Lennon: I am happy to wait.

Bob Doris: My apologies, Monica. I should put on the record, given that we keep talking about spring advice from the UK Climate Change Committee, that spring is a pretty broad window. It is 20 March 2025 to 21 June 2025. We should perhaps put that on the record, given that we keep talking euphemistically about getting all of that information in the spring.

The Climate Change Committee set out last week that Scotland should pass three carbon budgets at once, taking us up to 2040, and that future budgets after that should be set 12 years in advance. I get the significant risks and uncertainties with doing that, and I will explore some of those in a moment. The bill does not really spell out how many carbon budgets we would secure should the legislation be passed, so

a bit of clarity on that point would perhaps be quite helpful.

Gillian Martin: Thank you, Mr Doris. I appreciate that there is a requirement to set those carbon budgets 12 years in advance. It is our intention to introduce regulations next year that will set at least the first three budgets, which will cover the period up to 2040.

I heard evidence from your stakeholders that it is really important to give a long-term view, because a lot of the actions that must be taken in order to get us to net zero need long-term certainty around policy direction. The regulations will cover the period up to 2040.

I will use the latest advice from the CCC and align with the period for the next climate change plan. It will be essential that we set out those pathways to 2040 at least. With my officials, I will consider what that looks like and the regulations that are required in order to get those in place.

Phil, I do not know whether you want to add anything to that, but that is my understanding.

Philip Raines (Scottish Government): You are referring to the legislation that the UK Government abides by, but we understand that, in the Welsh legislation, the period is only five years. There is variation across the UK. As the cabinet secretary has said, we must—or we intend to—produce a climate change plan up to 2040, which seems impossible to do without knowing clearly what the carbon budget targets are.

Bob Doris: In effect, we can expect to see three five-year budgets all set at the one time, next year, and a climate change plan running to 2040. For clarity, cabinet secretary, after that—in five years' time—would a future Government set the next carbon budget 12 years out? I assume that, as the UK Government has done, a future Government would revise its assumptions for the 10 years that are already set but for which the time has not yet elapsed.

Gillian Martin: Yes—hence the need for the targets to be in secondary legislation, as that will give future Governments a chance to assess how far they have come in five years and what needs to change with regard to those targets.

I made the point earlier that, in certain sectors, things might go really far down the road of emissions reduction in a way that we did not expect—there might be some kind of change or something might happen that enables that to be the case. Other areas might not be able to go far enough—the picture might change and might need to be examined flexibly. That is another reason for setting the targets in secondary legislation. It is not just about what the Government does but about future Governments aligning with the 10-year

climate change plan and the long-term setting of three budgets to cover the period up to 2040. That will be crucial.

Bob Doris: That is helpful. I have a final question. We get advice from the UK Climate Change Committee, but it does not give policy advice. It may give advice on setting carbon budgets, but it has no say over financial budgets for the Parliament. I was pleased to hear of the constructive, non-partisan approach that you and Mr Miliband have taken, with the Scottish Government and the UK Government working together. Does it include discussions over the long-term capital and revenue investment that will be required at both a UK and a Scottish level to deliver the UK climate change plan and our devolved climate change plan? Budgets matter, and it would be nice to get both Governments into a space where they are not arguing about, but agreeing, the public finances that are required to deploy those plans appropriately and ensure that they are properly resourced.

Gillian Martin: That is a very good point. A lot of the action that needs to be taken will require funding from Governments, and a lot of the consequential that we might consider will be dependent on what happens in the UK space. If the UK Government puts all the actions and policy in place for getting to 2050, it is my hope that, as a result, some consequential will come here. It must also be recognised that, if Scotland does not meet 2045, it does not look likely that the UK will meet 2050.

12:15

Other things are happening in this space, too. As any independent assessment of the action that has to happen—and its funding—will make clear, Governments cannot do this alone. Government will perhaps have to step in when there are market failures; Government will have to set the policy direction; Government will have to look at how things are procured and at all the various levers at its disposal; and Government will have to ensure that the things that it puts in place are just and affordable for the people of the country and that it does not put too much of a burden on them.

Something else that both Governments are having to open their eyes to—I should say that we are still in the early stages of this; after all, the UK Government has been in place for only nine weeks, although we have been looking into this for quite a while now—is what Government can do with the money that we have to leverage in more investment in order to get us to net zero. There is also the commercial opportunity in reducing emissions. A perfect example of that is ScotWind, which has the ability to decarbonise the electricity supply not just in Scotland but for a substantial

part of the UK. That has been done by putting the ScotWind licences out there. Commercial companies bid for them and, as a result, there is commercial activity that decarbonises our electricity supply. There are lots of other such areas. We also have investment opportunities in, for example, restoring peatland, planting woodland and so on. We need to be alive to all of that.

Bob Doris: That was helpful, cabinet secretary. I have no further questions, convener, but I think that that response neatly finishes things up by landing us back at the need for a line of sight to 2045, to give the private sector certainty and policy direction and to allow it to feel confident enough to invest the huge sums required to meet net zero.

The Convener: I remind all members and the cabinet secretary that short questions and answers are particularly helpful when I am trying to meet a deadline. We have lots of questions to go, and I want to get in all the committee members' questions. Not to do so would be a failure.

Monica, I believe that I need to come back to you before I go to Mark Ruskell for some questions.

Monica Lennon: One of the key concerns that the CCC set out in last week's evidence was that the bill does not include a deadline for when the carbon budget will be set. Is a definite deadline for the publication of the carbon budget something that you will consider including in the bill?

Gillian Martin: Yes, I will. You wanted a short answer—yes, I will consider that. We will look at that.

Monica Lennon: Thank you.

The Convener: Perfect. That almost sounded like a yes, though none of us is surprised by your agreement with that.

Mark, I think that you have some questions.

Mark Ruskell: I will try to beat that.

Cabinet secretary, when you talked earlier about the net zero assessment work that is going on within Government—that is, the net zero test of all Government spending—you said that it is still at the pilot stage. It seems to me that it needs to go way beyond the pilot stage if it is to deliver the level of transparency that we might get through climate change plans linked to budgets—and to carbon budgets, too.

I am going to get a short answer to this question—

Gillian Martin: You will get a short answer from me.

Mark Ruskell: Basically, my question is this: is this approach going to be mainstreamed in Government by next year?

Gillian Martin: I have told you what I know about the work that has happened and that is taking place. However, Phil Raines, who is in the weeds of all this work, has just helpfully told me that he can give you an assessment of where the pilot is.

Philip Raines: I will have the pilot done by the end of the year. We want to ensure that the methodology is correct. It has taken some work to find the right policy areas to test it out on—as you might imagine, we have done this in what has been an interesting budget and fiscal environment—but our intention remains, as we have committed, to roll it out across Government expenditure, both capital and resource, from the beginning of next year.

Once we do so, you could invite us back to talk about it or write to ask us how it might inform the work to set the climate change plan and the carbon budgets. I think that we would be more than happy to come back to those questions then.

Mark Ruskell: So, every Government department will be using this approach by next year.

Philip Raines: The intention is to roll it out right across Government—the Scottish Government, I should say.

Mark Ruskell: I have a question on the five years since the setting of the 2030 target and where we are now. We have rehearsed some of this in the chamber in relation to where the Government could have gone faster or where the UK Government was, arguably, limiting ambition. You could make that point, but I am after an honest reflection from you, on behalf of the Government, on areas where you think you could have gone a lot faster.

You had the advice from the Climate Change Committee in 2021 that the target remained difficult to meet. However, there were areas in which the CCC was calling for the Government to really accelerate action, such as home heating. With hindsight, in which areas could progress have been made? What lessons does that provide for the next five years and for what goes in the next climate change plan? Where should we really be ramping up action in a way that we perhaps did not five years ago?

Gillian Martin: I will give you my reflections on where we could have gone further, but I want to put that in the context of some of the things that we have done. This comes back to the point that we made, in relation to your previous question, about embedding things.

If you look at many of the things that have happened in legislative and policy terms across other portfolios, you will see that net zero has absolutely been embedded. For example, because land use is one of our biggest emitters, look at the Agriculture and Rural Communities (Scotland) Act 2024 and the work that is being done in Mairi Gougeon's portfolio to ensure that that act engenders a system in which landowners, land managers and farmers are compensated and rewarded for work that they do that improves biodiversity and reduces emissions. We can also look at the work that has been done in Fiona Hyslop's portfolio on rail electrification and the commitment to have more electric vehicle charging points. We can also look at the work that has been done on the Wildlife Management and Muirburn (Scotland) Act 2024 with regard to what happens on our peatlands.

I see that the convener is saying that I am going on for too long.

Mark Ruskell: None of that got us close to the 2030 target, though, did it? Where do we need to accelerate action?

Gillian Martin: The convener wants me to be short and sharp, so my main takeaway is that we must be honest about what gets us the largest reduction in carbon emissions with the budget that we have and for which there is agreement and appetite as part of a just transition. I am having a conversation with my colleagues in the Cabinet—with regard to land use and transport, for example—about which areas we can accelerate and go further on, within our limited budget, that will make the biggest difference. Maybe we have tried to do too much and the process has been too piecemeal. We are looking at which areas we can we bring our limited resources into in order to have substantial change.

Mark Ruskell: What are those areas?

Gillian Martin: Land use, transport and construction. A lot of work has been done in the housing area, around energy performance certificates, for example. A lot of work has been done on construction. There is also peatland restoration and work on the skills for that. We have been doing reasonably well on peatland restoration, and that is the big-ticket item with regard to carbon sequestration. We are in the position that we are in not because there has not been enough money associated with that work—£250 million over 10 years is a lot of money—but because we have not had the capacity, in the form of a trained workforce, to do that work. We need to look seriously at that area, which comes back to the point about embedding work across portfolios.

The Convener: Monica, do you have another question or shall I move on to Douglas Lumsden?

Monica Lennon: We have covered a lot, so you are fine to move on.

The Convener: Okay. Douglas, you are on.

Douglas Lumsden: I will pick up something that Michael Matheson asked about reporting. Is it correct that a section 36 report must be done if you miss your targets?

Gillian Martin: Yes.

Douglas Lumsden: Would we see any section 36 reports being done within the five-year period, or would we have to wait for the five-year period target to be missed before we would see a section 36 report?

Gillian Martin: The section 36 report is out, and I will be—

Douglas Lumsden: I am talking about going forward with the new way of doing things.

Gillian Martin: I will check with my officials but, presumably, if we miss the five-year carbon budget, there would have to be a report.

Phil will keep me right here.

Philip Raines: The section 36 report exists because we have annual targets. If you take away the annual targets, section 36 clearly cannot operate in the same way. The new targets would in effect be the five-year carbon budget. The understanding would be that a report would have to come out if that budget period as a whole was missed. In other words, at the point where you are formally missing something, the requirement remains to do something about it. Notwithstanding that, as was said in answer to earlier questions, there would be annual reporting on what is happening, what action is being taken and what have you, as well as reporting against the climate change plan, which again will be by sectors.

In essence, the principle remains. There is a target. If the target is missed, action needs to be taken and formally presented to Parliament.

Douglas Lumsden: But you would have a section 36 report only once every five years, if the main budget was missed.

Gillian Martin: Yes.

Douglas Lumsden: A complex mix of devolved and reserved policy levers are needed for Scotland to achieve its emissions reduction targets. How critical is it that the Scottish and UK Governments work together on climate policy?

Gillian Martin: It is absolutely essential. We have seen that, when there is rolling back in climate ambition at UK level, that has an impact. Bob Doris asked an important question about the funding associated with that. When a UK Government puts net zero front and centre of its

ambition, that is great news for me, because it means that there will be consequential funding. However, it is also about what is happening in the reserved space. I mentioned energy infrastructure, which is one example of something in the reserved space where there is real scope for activity. There are also regulations. There could be regulations on the types of fuels that are used for aviation or the percentage of sustainable aviation fuel that might be used. The UK Government has lots of levers that could make a material difference to our getting to net zero by 2045.

When Governments at the UK, Welsh and Northern Ireland levels prioritise getting to net zero, not just in the targets that they set and the rhetoric that they use at the United Nations climate change conference of the parties, but in actual policy action and the associated funding, we are all winners. I genuinely feel very positive about the conversations that I have had since I became acting cabinet secretary in this space. Obviously, I would have liked the budget commitment on net zero action that was made pre-election to be retained. We will have to see what comes forward in the UK budget and what that means for our budget in this space but, in terms of the action that needs to be taken to reduce emissions, if all Governments have the same ambition, we will do it.

Douglas Lumsden: Are there any areas of difficulty in what needs to be addressed?

Gillian Martin: There are lots of areas of difficulty, because this is difficult.

Douglas Lumsden: I mean with regard to between-Government working.

Gillian Martin: Well, we are nine weeks into the new UK Government, and the conversations that I have had, which have been mainly on energy, have been really positive. We have not had any disagreements. I am keen to find out from the UK Government what it is doing in other spaces. I would like to know what it is doing on heat in buildings, what its plans are for the gas grid and what it might be looking at on aviation, et cetera, and the targets there, because that will make a difference.

It is early days, but I am having conversations with the UK Government every week.

Douglas Lumsden: You mentioned funding. It has been mentioned that there are areas where Scotland might need more funding than the rest of the UK, or a disproportionate amount of funding, for the UK to meet its targets overall. I am thinking about woodland creation, for example. Are there issues with that? How could that be fixed?

Gillian Martin: We have more potential in carbon sequestration. One thing that needs to

happen to make a difference on taking carbon out of the atmosphere and out of our systems is a decision on carbon capture, utilisation and storage. I was on the same programme as Michael Shanks on the BBC on Sunday, and I was heartened to hear that he is in agreement with the First Minister that carbon capture and storage needs to get the track status that the previous Government said that it would have, but which it did not get.

The UK Government now seems to be keen that we accelerate that. That will make a big difference for the Acorn Project, in terms of locking carbon into our reservoirs. It will be very good for the whole of Europe, because a lot of European countries do not have the capacity that we have, and it will also be very good for the economy. That is an area where we can make quite a fast, clear difference.

12:30

The Convener: The deputy convener wants to come in.

Michael Matheson: Thank you, convener. It is just a brief supplementary to follow up on Douglas Lumsden's question about section 36 reports. If a section 36 report can only be made after a five-year carbon budget has been implemented, what happens in the intervening years if, for example, the annual figures that we receive each year demonstrate that insufficient progress has been made? Where is the legal lever to require the Government to take corrective action to get progress towards those targets back on track if there is no section 36 report until the end of the five-year period?

Gillian Martin: I guess that the legal lever is the fact that if we do not correct our action year on year, we will come up against the five-year carbon budget and the section 36 requirement. In terms of parliamentary scrutiny, if we are missing targets or if the annual reports show that we are not taking the action that we are supposed to take, we will have to commit to accelerated action. I will bring in Phil Raines—no, Norman Munro. Can I bring in the lawyer? [*Laughter.*]

Norman Munro (Scottish Government): The Scottish Government's position is that the duty to meet the carbon budgets will be a continuing duty on ministers. If it becomes apparent that, during the course of a five-year carbon budget period, the Scottish Government is off track, it will be incumbent upon ministers, under that continuing duty, to carry out accelerated action, as the cabinet secretary has just said.

Michael Matheson: Okay. If the principle is that it is a continuing duty, why would you wait until the end of the five-year carbon budget period to

introduce corrective action, in the way in which you would with a section 36 report?

Gillian Martin: The simple answer is that we would not wait until the end of the five-year period. We would have those reports—

Michael Matheson: You could.

Gillian Martin: We could, but we will not.

Michael Matheson: You could, though. That is the point. You may say that you will not do that, but you could. Potentially, developments could accumulate over five years if there is not a legal obligation to take clear corrective action to get things back on course in the way in which section 36 requires.

Gillian Martin: It would be hugely irresponsible of any Government to do that—

Michael Matheson: I am not arguing that point. I am making a point about the legal corrective action that you are obliged to undertake at the moment. Where good-faith actors are seeking to achieve those targets, they will obviously take that work forward. From the Parliament's point of view, should someone—or a Government—not be a good-faith actor in pursuing those targets, there is no legal lever to require them to take the corrective action.

I am just posing a question. I understand, from the evidence that we received earlier, that in Germany, if it is clear, for two successive years, that a gap is opening up, there is a requirement for the Government to bring forward its equivalent of a section 36 report in order to show what corrective action it is taking. That does not need to happen every year; potentially, within a five-year carbon budget, that would happen a maximum of twice. Is there a need for a legal framework that forces corrective action when it is clear that not enough is being done? Is there a need for a provision in the legislation that would help to facilitate that and give Parliament reassurance?

Gillian Martin: Let me take that point away, and I will look at the evidence that you got earlier as well. Obviously, we look at other UK Parliaments; they have been working with five-year carbon budgets for some time, while we have not. We could maybe do an analysis of the situation that you describe—where that has happened and it has been an issue. You are right that, if you have a Government that cares about reaching those targets and taking that action, it will act responsibly, and the reports that we have every year will prompt it to take action. If you have a Government that does not act responsibly, how do you hold it to account? That is a fair point.

The Convener: I suppose that having biannual reports on how we are getting on with the targets, as was suggested earlier—rather than just having

a five-yearly report—would be another way to ensure that we were achieving them.

Gillian Martin: If I could correct you, there will be a report every year. Two reports will be produced—on our reduction of greenhouse gases in the baseline and on how we are meeting the climate change plan—every single year.

The Convener: But that is not an assessment against the carbon budget, is it?

Gillian Martin: Well, it is, because that looks to see how we are meeting the five-year carbon budget and where we are on it.

It is important to mention that one of the reasons for having a five-year carbon budget is that there are fluctuations in year. All bets were off during the Covid pandemic. Straight after Covid there was a massive reduction in car use all of a sudden because, during the pandemic, people had not wanted to go on trains and so on. Having the assessment over five years allows for such fluctuations to be ironed out.

When it comes to scrutiny, two reports will come out every year: on greenhouse gas reduction and on how we are meeting the provisions in the climate change plan.

The Convener: And the carbon budgets.

Gillian Martin: The greenhouse gas emissions figures will show you how they are matching up with the carbon budget.

The Convener: Okay.

I had another question about consultation and the feedback resulting from your publishing the bill. I am happy to park that question, however, considering the time.

I want instead to talk briefly about the letter that you submitted to the committee late last night. Correct me where I go wrong, but my reading of it is that a mistake occurred in December 2022 and you have picked it up in September 2024, and the change is relatively minor. Is that a poor synopsis, or is that correct?

Gillian Martin: The letter is fairly comprehensive and sets out where the errors were. You got the letter so late because of when I was alerted to the matter. It was important that I let the committee know about it.

The Convener: Okay.

Gillian Martin: With regard to what has happened—digging into the figures, what they mean and why this happened—I hope that it will be okay if I bring in Phil Raines, who has been working on the matter and who told me about it.

Philip Raines: In essence, the convener is correct. I hasten to add that any such mistakes are

serious, and we treat that very seriously. Although the practical implications are relatively limited, we need to correct a handful of documents. As I say, we treat that very seriously.

The Convener: Did I get it right that you are reporting on the matter to Parliament, cabinet secretary?

Gillian Martin: Regarding the section 36 report and everything associated with it, there will be a statement in Parliament on Thursday, which will include this matter.

The Convener: Okay—thank you. That is probably as far as we can take it, as we have been given limited information. I know that the letter was quite detailed—although I am not sure how much detail I got into before this meeting—but we will have another chance to consider the matter.

Thank you, cabinet secretary—that was a fairly lengthy evidence session. We will be undertaking another evidence session and I am sure that, if anything comes up in that, you will be happy to respond to any questions that we may have as we move to produce our report. I also thank your officials for attending.

12:38

Meeting continued in private until 13:00.

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