

# Net Zero, Energy and Transport Committee

## 3<sup>rd</sup> Meeting, 2024 (Session 6)

Tuesday, 23 January 2024

# Evidence session with the Scottish Government on the Scottish Budget 2024-25

## Introduction

1. On 21 December, the Scottish Government introduced the [Budget \(Scotland\) \(No. 3\) Bill](#). A Budget Bill is lodged annually to allow the Scottish Parliament to consider the Scottish Government's tax and public spending proposals before the new financial year begins in April. There is a discrete process for Budget Bills, as set out in Rule 9.16 of [Scottish Parliament Standing Orders](#).
2. The effect of the Bill, if agreed to, would be to implement the [Scottish Budget 2024-25](#). Supporting documentation and a more detailed breakdown of the budget within Cabinet Secretary portfolios, as well the climate change and carbon assessments of the Budget [can be found via this Scottish Government link](#).
3. The Scottish Parliament Information Centre (SPICe) has issued a number of publications on the Scottish Budget, including:
  - [A SPICe blog with an initial analysis](#)
  - [A detailed briefing on the Budget](#).

## Pre-Budget Scrutiny by the NZET Committee

4. Subject committees (i.e. Scottish Parliament committees that scrutinise major policy areas with significant public spending) normally make pre-budget recommendations to the Scottish Government each autumn, after taking evidence from stakeholders. These are on matters the committee wants the Scottish Government to take account of before finalising next year's budget. SPICe's guide to the budget process [is available here](#).
5. The Committee's pre-budget scrutiny for 2024-25 focused on:
  - The Fair Fares Review and bus travel;
  - Electric vehicle charging point infrastructure;

- Aspects of the Scottish Government’s response to our report on energy price rises;
  - The publication of the final Hydrogen Action Plan and associated capital investment, as well as the anticipated Energy and Just Transition Strategy;
  - Budgets associated with Scotland’s environmental regulators; and
  - The Joint Budget Review
6. The Committee wrote to the Cabinet Secretary for Transport, Net Zero and Just Transition about these matters [on 16 November](#). The Cabinet Secretary responded [on 19 December](#).
  7. Committees also have the option of taking further evidence once budget proposals have been published and whilst scrutiny of the relevant Budget Bill is ongoing. On 19 December, the Committee agreed to take further evidence from the Scottish Government on the Scottish Budget in early 2024. On 9 January the Committee agreed budgetary themes it wished to explore at evidence sessions with the relevant Cabinet Secretaries with responsibilities for these policy areas. These mainly relate to the matters listed above.
  8. On 16 January, the Committee took evidence from the Minister for Transport in relation to an affirmative instrument about Bus Services Improvement Partnerships. Whilst this was not formally an evidence session on the 2024-25 budget, the Committee took the opportunity to ask some more general questions about funding proposals for the bus sector. The Official Report for that meeting [will soon be available via this link](#).

## Evidence session 23 January

9. On 23 January, the Committee will hold an evidence session with the Scottish Government to discuss the Scottish Budget 2024-25. It will first hear from the Deputy First Minister (who is also Cabinet Secretary for Finance) and the Cabinet Secretary for Wellbeing Economy, Fair Work and Energy, giving evidence jointly alongside officials.
10. A key area of discussion with the Deputy First Minister will be on the Joint Budget Review as it relates to climate. [On 10 October](#), the Deputy First Minister and the Cabinet Secretary for Transport, Net Zero and Just Transition sent a letter to the NZET and Finance and Public Administration Committees setting out the most recent update on the implementation of the Joint Budget Review. A copy of this letter is **Annexe A**.
11. Under the same agenda item, the Committee will then hear from the Cabinet Secretary for Wellbeing Economy, Fair Work and Energy and officials on

matters specifically within his responsibility that are also within this Committee's remit.

## Next steps

12. On 30 January, the Committee will hold a further evidence session on the Scottish Budget with the Cabinet Secretary for Rural Affairs, Land Reform and Islands and the Cabinet Secretary for Transport, Net Zero and Just Transition.
13. The evidence taken by the NZET Committee in January does not formally amount to Stage 1 evidence on the Budget Bill, scrutiny of which falls formally to the Finance and Public Administration Committee. However, by taking evidence in this way, the NZET Committee contributes to the general public discussion around the Scottish Government's budget plans for next year, and seeks to influence the final content of the budget before the Scottish Parliament is asked to pass the Bill.
14. These sessions also form part of the Committee's rolling programme of evidence-gathering on core matters within its remit relating to energy, transport and the environment, and on the funding necessary to ensure that policies and strategic goals in these areas can be delivered. This includes the overall goal of achieving net zero in carbon emissions in Scotland by 2045.

Clerks  
Net Zero, Energy and Transport Committee

# Annexe – Joint letter from the Deputy First Minister and Cabinet Secretary for Finance and the Cabinet Secretary for Transport, Net Zero and Just Transition regarding the Joint Budget Review

10 October 2023

Dear Conveners,

## **Update on implementation of the conclusions of the Joint Review of the Budget as it relates to climate**

We are writing to provide a further update on the continuing work Scottish Government officials have been carrying out to implement the three strands of work referred to in the conclusions of the Scottish Government and Scottish Parliament joint review of the Budget on matters relating to climate (JBR) published in December 2022<sup>1</sup>.

Strand 1 – The inclusion of an enhanced climate narrative within budget documentation.

The inclusion of an enhanced climate narrative within budget documentation was discharged through the 2023-24 Scottish Budget cycle, although we will also continue to look for opportunities to further improve this information in future years.

Strand 2 – A revised approach to undertaking a climate impact taxonomy of budget lines including expansion from solely capital to both capital and resource.

A revised approach which involves expansion from solely capital to both capital and resource has been developed. This revised methodology for taxonomy of the Scottish Budget will be applied to the 2024-25 spending lines.

Strand 3 – Establish a government-wide Net Zero Assessment to improve how carbon assessment is embedded in policy making and spending decisions

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<sup>1</sup> <https://www.parliament.scot/chamber-and-committees/committees/current-and-previous-committees/session-6-net-zero-energy-and-transport-committee/correspondence/2022/joint-budget-review-report>

To progress the commitment to implement a Net Zero Assessment, an indicative methodology has been developed and a pilot has been scoped. The pilot will commence before the end of the calendar year as an iterative process with ongoing assessment of its effectiveness.

We hope this letter provides both Committees with assurance around the progress that the Scottish Government has made, and will continue to make, around implementation of the recommendations made through the joint budget review.

Yours sincerely  
SHONA ROBISON  
MÀIRI MCALLAN